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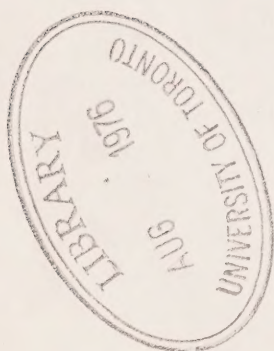
**SUMMARIES OF
GENERAL DEVELOPMENT AGREEMENTS
AND
SUBSIDIARY AGREEMENTS
FEDERAL-PROVINCIAL**

**DEPARTMENT OF REGIONAL ECONOMIC EXPANSION
DECEMBER, 1975**

**SUMMARIES OF
GENERAL DEVELOPMENT AGREEMENTS
AND
SUBSIDIARY AGREEMENTS
FEDERAL-PROVINCIAL**

DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

DECEMBER, 1975



GENERAL DEVELOPMENT AGREEMENTS

General Development Agreements (GDAs) have been signed with all provinces except Prince Edward Island, which signed a 15-year Development Plan in 1969. The purpose of these GDAs is to enable the federal government and the provinces to cooperate in improving the number and quality of, and access to, long-term employment opportunities thus permitting people to enjoy improved living standards in the region of their choice. The GDAs contain brief references to the economic background of each province, record agreed development objectives for the province, and outline the strategies required to meet the objectives.

The vehicles by which the strategies and objectives of the GDAs are to be met are subsidiary agreements, which are separate agreements signed with each province as a follow-up to the GDAs where initiatives are to be undertaken by both Canada and the province. Each sub-agreement has a financial limitation and a fixed cost-sharing arrangement with the province, with provisions for monitoring the implementation of programs and projects under the agreement. It also includes appropriate provisions regarding the evaluation of its operation to ensure consistency with the objectives and strategies of the GDA. Wherever possible, DREE involves other federal government departments in order to take full advantage of the funding available through programs of all departments and consults with them to benefit from their expertise.

The General Development Agreements are ten-year agreements which are reviewed on agreed dates, in consultation with the province and other government departments, to review progress and to consider the implementation of new development initiatives based on an ongoing analysis of each province's socio-economic circumstances.

To December 1, 1975, nine General Development Agreements and 37 sub-agreements had been signed. The following summaries of these agreements are designed as brief reference points. Copies of the signed agreements may be secured through the Information Services of the Department of Regional Economic Expansion, 161 Laurier Avenue West, Ottawa, Ontario. K1A 0M4

NEWFOUNDLAND
GENERAL DEVELOPMENT AGREEMENT

The Canada/Newfoundland General Development Agreement was signed on February 1, 1974.

Although the Newfoundland economy is expanding rapidly in terms of income and employment, the level of economic performance remains well below the Canadian average. The provincial rate of unemployment, adjusted for July 1975, stands at 18.9 per cent with a trend toward further increases. Average earned incomes only slightly exceed half the Canadian average. Although earnings have increased in recent years, historically low incomes have resulted in a situation where living standards, as measured by various economic and social indicators, are below the levels suggested by current measures of economic activity. Indeed, potential developments have not been realized in many geographic and economic sectors of the Province because of basic inadequacies in public services and manpower skills to meet the normal expectations of entrepreneurs.

The objectives of the GDA are to increase the number and quality of long-term employment opportunities in Newfoundland and to improve accessibility to those opportunities, while permitting people to enjoy improved living standards in the area of their choice.

These objectives are being pursued through joint federal/provincial cooperation in the economic and socioeconomic areas to:

- (a) improve utilization of natural resources;
- (b) develop potentials arising out of the geographic location of Newfoundland in the North Atlantic;
- (c) maximize the retained values of activities in the Province by increasing the capability of business in the Province to participate on a viable basis in supplying goods and services demanded by provincial, national and international markets;
- (d) ensure that the Newfoundland labour force has the capability to benefit from and contribute fully to the initiatives to be undertaken; and
- (e) increase the capability of both public and private sectors in the Province to identify and realize opportunities.

Within the general strategy of this Agreement, the two governments are cooperating on a continuing basis to assess development opportunities and encourage their realization. In addition to other development opportunities that may be agreed upon during the operation of this Agreement, a number of areas for action have been identified. These include forestry, fisheries, agriculture, tourism, ocean science and technology, minerals, manufacturing and integrated initiatives.

An important requirement for an increased rate of development is a significantly greater capacity in both the public and private sector for planning and implementation activity. This capacity will be supported through provision of assistance for major studies and supplementary provincial manpower resources for planning and implementation.

The Newfoundland economy has been unable to provide the level of investment in infrastructure reached in other parts of Canada, resulting in significant deficiencies in basic infrastructure required for development.

To December 1, 1975, the following sub-agreements have been signed with Newfoundland.

- Forestry
- Gros Morne Park Area Development
- Highways 1974-75
- Highways 1975-76
- Fisheries Marine Service Centre Program
- Special Fish Plant Water System
- Ocean Research and Development
- St. John's Urban Region

Summaries of these sub-agreements follow.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|-----------------------|--|
| SUBJECT | Forestry |
| DURATION OF AGREEMENT | April 26, 1974 to March 31, 1978 (retroactive to June 1, 1973) |
| OBJECTIVES | To increase employment and income in the province's forestry sector by improving resources management and forest utilization and by taking advantage of opportunities to diversify and expand forest utilizing industries. An amendment, signed January 27, 1975, has the specific objective of protecting existing jobs at the provincially-owned Labrador Linerboard Co. at Stephenville by assuring the plant of an economic wood supply. |
| BACKGROUND | Between July 1972 and March 1973 a Federal-Provincial Task Force on Forestry in which the Canada Departments of Regional Economic Expansion, Environment, Agriculture, and the Newfoundland Departments of Forestry and Agriculture, Community and Social Development, Tourism and Justice were the principal participants, made an exhaustive study of the Newfoundland forest resource and forest-based industries. This study concluded that, based on the market prospects for newsprint, linerboard, lumber and wood-based panel products, it was possible to expand forestry production in Newfoundland if the provincial forest resources potential was improved. It was suggested that increased amounts of commercial timber could be realized under more intensive management of the forestry resources. It also recommended improved harvesting techniques together with better methods of resource allocation and utilization. The opportunity is important to Newfoundland since the potential exists to generate approximately 2400 new jobs over the next four to five years in addition to stabilizing current employment of 8500 in the forest industry sector. |

This sub-agreement was developed in consultation with the federal Departments of Environment and Agriculture. It was signed by the Minister of Regional Economic Expansion and the Newfoundland Minister of Forestry and Agriculture.

ELEMENTS

The following is an outline of the key elements of the overall development strategy:

- (a) the acquisition of management control of the forest resource;
- (b) the establishment of forest management practices adequate to sustain a net annual cut of 1.9 million cunits;
- (c) the provision of adequate access for more intensive utilization and management;
- (d) the development of steep slope logging to further increase utilization;
- (e) the establishment of integrated logging to achieve full utilization;
- (f) the establishment of hardwood-using industries to serve provincial needs and export markets;
- (g) the establishment, expansion and modernization of softwood sawmill capacity to serve provincial needs;
- (h) the restructuring and strengthening of the Newfoundland Forest Service to ensure that acquisition of management control can be made effective.

MAXIMUM
EXPENDITURES

The following is a list of projects which have
been identified under the agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Acquisition of Forest Lands | \$ 2 245 000 | \$ 1 121 000 | \$ 1 124 000 |
| Forest Management | 371 900 | 37 200 | 334 700 |
| Harvesting, Utilization, Research and Development | 15 065 300 | 1 506 500 | 13 558 800 |
| Access Road Construction | 20 247 400 | 2 024 700 | 18 222 700 |
| Intensive Forest Inventories | 2 837 000 | 283 800 | 2 553 200 |
| Protection of Forest Resource | 1 620 400 | 162 000 | 1 458 400 |
| Forest Improve- ment | 5 827 400 | 582 700 | 5 244 700 |
| Administration of the Forest Resource | 5 868 900 | 586 900 | 5 282 000 |
| TOTAL | <u>\$54 083 300</u> | <u>\$6 304 800</u> | <u>\$47 778 500</u> |

ADMINISTRATION
AND MANAGEMENT

A Management Committee composed of senior officials
designated by the Federal and Provincial Ministers is
responsible for the administration of the agreement.
Both DREE and Environment are represented on the
Committee.

NEWFOUNDLAND
SUBSIDIARY AGREEMENT

| | |
|-------------|---|
| SUBJECT | Gros Morne Park Area Development |
| DURATION OF | May 28, 1974 to March 31, 1978 (retroactive to June 1, 1973) |
| OBJECTIVES | To create new employment and income opportunities in the area through the development of the potential of the Park and to ensure that local residents are able to take advantage of these opportunities. |
| BACKGROUND | <p>Recognition of the outstanding scenic appeal and high recreational capability of the Gros Morne area on the west coast of Newfoundland led to the establishment in 1973 of a 750 square mile national park. In 1970, a tentative agreement between Canada and Newfoundland on the establishment of the park, provided for the complete relocation of five of the 23 small communities within the park. The other 18 communities would be allowed to remain in four enclaves within the park, servicing the park itself and the tourists expected to visit the area.</p> <p>Resistance to relocation led to the reopening of negotiations on this aspect of the agreement. In 1973 the federal Minister of Indian Affairs and Northern Development agreed that no resident of the park communities would be forced to move, but that Canada stood ready to share with the Province the cost of providing fair and just options to the people concerned.</p> <p>The people of this area have traditionally experienced high unemployment rates and low incomes. Since the already weak economic base of the area has been reduced still further by controls over the resources within the Park, the major strategy for improving employment and earnings is in servicing the park itself and the tourist trade attracted to the area.</p> <p>This sub-agreement was developed in consultation with the federal Departments of Manpower and Immigration, and Indian and Northern Affairs. It was signed by the Minister of Regional Economic Expansion and the Newfoundland Minister of Forestry and Agriculture.</p> |

ELEMENTS

The major elements of this sub-agreement include:

- (a) Planning studies and development programs focussing on ways in which the potential demand for tourist services can be met and development of inshore sports fishing.
- (b) Community infrastructure of water and sewer systems, residential land development and a solid waste disposal system.
- (c) Road and bridge construction and up-grading between and through the enclave communities.

Also included are technical supervision and related expenses, and evaluation - impact studies.

MAXIMUM EXPENDITURES

The following is a list of projects identified under this Agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Planning Studies and Development Programs | \$ 470 000 | \$ 47 000 | \$ 423 000 |
| Community Infrastructure | 8 668 000 | 866 800 | 7 801 200 |
| Road Construction | 5 841 000 | 584 100 | 5 256 900 |
| Technical Supervision & Related Expenses | 130 000 | 13 000 | 117 000 |
| Evaluation - Impact Studies | 30 000 | 3 000 | 27 000 |
| TOTAL | <u>\$15 139 000</u> | <u>\$1 513 900</u> | <u>\$13 625 100</u> |

ADMINISTRATION AND MANAGEMENT

A Management Committee composed of senior officials designated by the Federal and Provincial Ministers is responsible for the administration of the agreement. The federal membership includes representation from DREE and IAND.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|------------------------|---|
| SUBJECT | Highways (2 Agreements) |
| DURATION OF AGREEMENTS | (1) May 28, 1974 to March 31, 1975 (retroactive to April 1, 1974) (2) May 28, 1975 to March 21, 1976 (retroactive to April 1, 1975) |
| OBJECTIVES | To carry on earlier departmental efforts to improve the province's highway network, thus enabling a more efficient flow of goods and services between various areas of the province. Such transportation improvements will contribute to economic growth by providing access to exploitable resources and creating access to wider markets for local communities. |
| BACKGROUND | <p>On the basis of investigation undertaken jointly with officials of the Provincial Government, it has been concluded that continued upgrading of the transportation system is essential in the pursuit of the socio-economic development objectives and opportunities identified in the General Development Agreement. Selected improvements to the road network will support advances in agriculture, forestry, minerals development and fisheries through more efficient transportation of resources to processing and manufacturing plants and will improve access to Canadian and export markets for a wide variety of products. The proposed roads program will reduce or end isolation, increase labour mobility, promote the viability of the resource industries and tourism, improve living standards by reducing transportation costs, and provide equitable access to social and cultural services.</p> <p>These sub-agreements were developed in consultation with the federal Departments of Transport, Environment and Indian and Northern Affairs. Both sub-agreements were signed by the Minister of Regional Economic Expansion and the Newfoundland Minister of Transportation and Communications. In addition, the 1975 sub-agreement was signed by the provincial Minister for Intergovernmental Affairs.</p> |

ELEMENTS
AND MAXIMUM
EXPENDITURES

The following is a list of projects that the province
will arrange to carry out under these agreements:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| May 28, 1974 Sub-Agreement as amended Dec. 12/74 and March 20/75 | | | |
| Burgeo Road (construction and up-grading) | \$ 1 998 747 | \$ 199 875 | \$ 1 798 872 |
| St. Lawrence to Lawn (paving) | 772 127 | 77 213 | 694 914 |
| Bay D'Espoir Highway (up-grading con- struction and paving) | 4 183 916 | 418 392 | 3 765 524 |
| Daniel's Harbour towards Hawkes Bay (reconstruction and grading) | 2 010 833 | 201 083 | 1 809 750 |
| La Scie Road (up-grading) | 975 523 | 97 552 | 877 971 |
| Deer Lake to Park Boundary (paving) | 1 113 135 | 111 313 | 1 001 822 |
| Plum Point towards St. Barbe (recon- struction and grading) | 60 365 | 6 036 | 54 329 |
| St. Anthony towards Airport (reconstruc- tion and grading) | 166 540 | 16 654 | 149 886 |
| Fortune-Lamaline Road (reconstruction and grading) | 717 121 | 71 712 | 645 409 |
| St. Alban's - Milltown (paving) | 1 332 237 | 133 224 | 1 199 013 |
| Northern Arm - Point Leamington (recon- struction and grading) | 533 900 | 53 390 | 480 510 |
| TOTAL | <u>\$13 864 444</u> | <u>\$1 386 444</u> | <u>\$12 478 000</u> |

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| May 28, 1975 Sub-Agreement | | | |
| Burgeo Road (New construction of road and bridges) | \$ 3 200 000 | \$ 320 000 | \$ 2 880 000 |
| Bonavista North Loop Road (Reconstruction of road and bridges) | 3 492 000 | 349 000 | 3 143 000 |
| Northern Peninsula Highway (Construc- tion, reconstruc- tion, paving and bridges) | 10 530 000 | 1 053 000 | 9 477 000 |
| Bay D'Espoir Highway (Reconstruction and paving) | 3 000 000 | 300 000 | 2 700 000 |
| Baie Verte - La Scie (Reconstruction) | 2 000 000 | 200 000 | 1 800 000 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL | \$22 222 000 | \$2 222 000 | \$20 000 000 |

ADMINISTRATION AND MANAGEMENT A Management Committee composed of senior officials designated by the Federal and Provincial Ministers is responsible for the administration of the Agreement.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

SUBJECT Fisheries Marine Service Centre Program

DURATION OF AGREEMENT October 15, 1974 to March 31, 1977
(retroactive to January 1, 1974)

OBJECTIVES To improve the impact of the fishing industry on the provincial economy by promoting the more efficient and effective use of the longliners employed in the mid-water fishery.

BACKGROUND The traditional economic activity of rural Newfoundland has been the pursuit of the inshore fishery. The character of the inshore fishery has been changing with the advent of freezing plants which encourages fishermen to sell fresh fish. This factor, combined with the depleting resource, places greater emphasis on the utilization of larger boats to increase or sustain harvest yields. Many inshore fishermen, with the aid of government subsidies and bounties, have acquired longliners ranging in size from 35 feet to 65 feet.

These vessels can range farther afield and catch more varied species of fish. The boats are equipped with large engines and sophisticated electronic gear. Unlike smaller boats which could be hauled up on the beach for shelter or repairs, these craft require the facilities of service centres which can haul the boats from the water, and provide parts and technicians for repairs, maintenance, and storage.

The strategy for this sub-agreement was developed in conjunction with the Department of Environment. It involves the establishment of marine service centres at strategic locations around the Province which will make it possible for more fishermen to take advantage of multi-purpose boat technology, and to use these vessels more effectively by reducing the loss of fishing time due to breakdown in peak periods.

This sub-agreement was signed by the Minister of Regional Economic Expansion and the Newfoundland Minister of Fisheries.

ELEMENTS

The sub-agreement will enable the Province to establish 11 service centres equipped with slipways or haul-outs, sheltered harbours and repair facilities for the boats and fishing gear including the specialized services required by large engines and electronic equipment. In addition, one mobile unit which can be moved as work and seasons dictate will be acquired and equipped.

The marine service centres will be owned by the Provincial Department of Fisheries who will hire the appropriate technical and management staff.

MAXIMUM EXPENDITURES

Construction of various facilities, such as wharves, service centre buildings, storage areas, 50-ton travelifts and other appropriate haulout devices and equipment for Marine Service Centres, have been identified for the following locations.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--------------------------|---------------------------------|-----------------------------|---------------------------------|
| Durrell | \$ 860 000 | \$ 86 000 | \$ 774 000 |
| Wesleyville | 1 115 000 | 111 000 | 1 004 000 |
| Harbour Grace | 1 180 000 | 118 000 | 1 062 000 |
| Bonavista | 800 000 | 80 000 | 720 000 |
| Old Perlican | 995 000 | 100 000 | 895 000 |
| Isle aux Morts | 1 200 000 | 120 000 | 1 080 000 |
| Port Union | 1 000 000 | 100 000 | 900 000 |
| La Scie | 1 100 000 | 110 000 | 990 000 |
| Fogo Island | 1 100 000 | 110 000 | 990 000 |
| St. Mary's Placentia | 1 100 000 | 110 000 | 990 000 |
| Englee | 1 200 000 | 120 000 | 1 080 000 |
| Mobile Barge Facility | 350 000 | 35 000 | 315 000 |
| TOTAL | <u>\$12 000 000</u> | <u>\$1 200 000</u> | <u>\$10 800 000</u> |

ADMINISTRATION AND MANAGEMENT A Management Committee composed of senior officials designated by the Federal and Provincial Ministers is responsible for the administration of the agreement. The federal membership includes representation from the Department of Regional Economic Expansion and the Department of Environment.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|-----------------------|--|
| SUBJECT | Special Fish Plant Water System |
| DURATION OF AGREEMENT | October 15, 1974 to March 31, 1977 (retroactive to January 1, 1974) |
| OBJECTIVES | To improve the efficiency of the Province's fish processing industry by increasing the capacity of existing plants and generally improving the quality of fish products manufactured in the province. |
| BACKGROUND | <p>It is generally recognized that the marine fisheries resources potential of Newfoundland has not been fully exploited and that economic activity associated with the Province's marine resources continues to be the mainstay of a large number of communities and towns. Consistent with this realization is the need for well formulated programs to accommodate ongoing developments within the fishing industry. Such programs can be designed to meet specific goals and objectives and provide opportunities which otherwise would not contribute to rational growth and expansion within a vital component of the Province's resource indicator.</p> <p>Inadequate water supply systems together with the high capital costs of providing such systems continue to impede overall efficiency within the processing sector of the Province's fishing industry. This Agreement is designed to facilitate and improve processing of Newfoundland fish landings through integrated fish plant water system infrastructure projects.</p> <p>This sub-agreement was developed in consultation with the federal Department of Environment. It was signed by the Minister of Regional Economic Expansion and the Newfoundland Minister of Fisheries.</p> |
| ELEMENTS | Provision is made in the agreement for completely new water supply systems and an increase in capacity to systems which are insufficient to meet individual plant demands. |

ELEMENTS

Provision is made in the Agreement for completely new water supply systems and an increase in capacity of systems which are insufficient to meet individual plant demands.

The projects identified are designed to deal with specific problems at the regional and sub-regional level and represent the highest priorities of the Province that are consistent with the objectives of the proposed program. Included are such projects as construction of new water lines and reservoir dams as well as the drilling of artesian wells.

MAXIMUM EXPENDITURES

The construction of special fish plant water systems have been identified for the following.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|-----------------------|---------------------------------|-----------------------------|---------------------------------|
| Port-aux-Basques | \$1 350 000 | \$ 135 000 | \$1 215 000 |
| Burnt Islands | 250 000 | 25 000 | 225 000 |
| Little Bay Islands | 60 000 | 6 000 | 54 000 |
| Newstead-Comfort Cove | 500 000 | 50 000 | 450 000 |
| Hermitage | 460 000 | 46 000 | 414 000 |
| Southern Harbour | 590 000 | 59 000 | 531 000 |
| St. Brides | 100 000 | 10 000 | 90 000 |
| Admiral's Beach | 320 000 | 32 000 | 288 000 |
| Valleyfield | 400 000 | 40 000 | 360 000 |
| Bay Bulls | 450 000 | 45 000 | 405 000 |
| New Harbour | 150 000 | 15 000 | 135 000 |
| Various Locations | 1 500 000 | 150 000 | 1 350 000 |
| TOTAL | <u>\$6 130 000</u> | <u>\$ 613 000</u> | <u>\$5 517 000</u> |

ADMINISTRATION AND MANAGEMENT

A Management Committee composed of one or more senior officials designated by the Federal and Provincial Ministers is responsible for the administration of the agreement. The federal representation is by officials from both the Department of Regional Economic Expansion and Department of Environment.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

SUBJECT NORDCO (Newfoundland Oceans Research and Development Corporation)

DURATION OF AGREEMENT May 23, 1975 to March 31, 1979
(retroactive to January 1, 1975)

OBJECTIVES To stimulate the development of marine technology within the Province and to foster the establishment of marine ice-related industries. It also seeks to ensure that the Newfoundland business community becomes fully involved in marine resource development in the adjacent ice-congested waters.

BACKGROUND The continental shelf off Newfoundland is one of the world's largest, stretching nearly 1400 miles from Northern Labrador to the Grand Banks. This continental shelf has a substantial oil and gas potential. At the present time, there is a world shortage of expertise and experience in operating in ice-infested waters. The ability to exploit these undersea oil and gas resources could be of great benefit to Newfoundland and Canada and as an economic development opportunity available to the Province, could provide a multitude of new jobs over the next two decades. Successful exploitation of this opportunity through NORDCO could give Newfoundland a leadership role in ice-related technology and experience.

As a means of achieving these objectives, the Province will incorporate a limited liability company under the name of NORDCO Limited (Newfoundland Oceans Research and Development Corporation). NORDCO is the focal point of this new Subsidiary Agreement and is the means of implementing strategies that will achieve the objectives of the Agreement. NORDCO will endeavour to establish itself as an internationally recognized centre of expertise for the development of technology and applied research related to the exploitation of northern oceans resources and to ice-related activities. It will undertake projects in the nature of applied research and technology development related to northern oceans resources exploration and promote the commercial

utilization of such technological advances. Further strategies include encouraging participation by the private sector, providing technological assistance to Canadian marine-oriented firms wishing to expand, and initiating projects in response to requests from other organizations.

In formulating these strategies, extensive consultation was held with the federal Departments of Industry, Trade and Commerce, Environment, and the Ministry of State for Science and Technology. Provincial authorities were also deeply involved.

The sub-agreement was signed by the Minister of Regional Economic Expansion and by the Provincial Ministers of Industrial Development and Intergovernmental Affairs.

ELEMENTS

This sub-agreement is designed to foster applied research and technological development in the marine industry sector. Consequently it is anticipated that a wide variety of innovative projects will be undertaken by the Corporation in cooperation with the private sector. Specific elements, therefore are not identified in this sub-agreement.

| MAXIMUM EXPENDITURES | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|----------------------------------|--|-----------------------------|---------------------------------|
| | \$4 910 080 | \$ 491 008 | \$4 419 072 |
| ADMINISTRATION AND MANAGEMENT | A Management Committee composed of two senior officials designated by each of the Ministers shall be responsible for the administration of this sub-agreement. | | |

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

SUBJECT St. John's Urban Region

DURATION OF July 23, 1975 to March 31, 1980
AGREEMENT (retroactive to September 30, 1974)

OBJECTIVES To permit the continued development of the St. John's Urban Region as the major centre for administration, transportation and communications, and distribution of goods in the Province.

BACKGROUND The St. John's Urban Region is currently suffering from the lack of an adequate water supply, average daily consumption having reached the available supply. This has the effect of impeding development, both industrial and residential. A study funded under the Canada/Newfoundland Second Special Areas Agreement recommended the augmentation of the existing supply by the addition of a new water source at Bay Bulls Big Pond, together with the necessary treatment facilities and transmission lines.

As well, a major arterial road from the Donovan's Industrial Park and the Trans-Canada Highway sector of the Region to the waterfront, was begun under the Second Special Areas Agreement and the first six miles were completed. Three miles, primarily through an urban setting, remain to be constructed to complete the link.

Under this Agreement, it is proposed that the necessary water supply works, together with the remaining section of the Harbour Arterial Road, be constructed.

In preparing this sub-agreement, the Department benefited from the active participation of the Ministry of State for Urban Affairs and Central Mortgage and Housing Corporation, as well as provincial authorities. In addition, the following departments were consulted on a continuing basis: Transport, Environment, Public Works, Manpower and Immigration, Finance and the Treasury Board Secretariat.

The sub-agreement was signed by the Minister of Regional Economic Expansion and the Newfoundland Minister for Intergovernmental Affairs.

ELEMENTS

The inadequacy of the St. John's water supply has already placed restrictions on the growth of industrial and commercial development in the city, including the vital area of residential housing. The projects approved by this agreement will require the construction of an intake and treatment facility at Bay Bulls Big Pond with a large diameter pipeline to bring the treated water into the existing St. John's - Mount Pearl distribution system. The construction of this additional network will more than double the capacity of the present water supply. Work has already begun on the project and it is expected that water from the new source will begin flowing through the system by late 1977.

The St. John's Harbour Arterial Road from Kilbride to the downtown area will be completed under this new agreement. Besides improving access to downtown St. John's from the Donovan's Industrial Park and the New Town Residential Development, the Harbour Arterial will help to revitalize the downtown area and offer full access to the harbour itself.

MAXIMUM EXPENDITURES

The maximum expenditures for the major programs of this sub-agreement are allocated as follows:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| St. John's Urban Region Water Supply | \$33 400 000 | \$ 8 300 000 | \$25 100 000 |
| St. John's Harbour Arterial | 34 600 000 | 8 700 000 | 25 900 000 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL | \$68 000 000 | \$17 000 000 | \$51 000 000 |

ADMINISTRATION AND MANAGEMENT Each of the Ministers shall designate one or more senior officials to be responsible for the administration of this sub-agreement. The Federal Government will be represented by the Department of Regional Economic Expansion, Ministry of State for Urban Affairs and Central Mortgage and Housing Corporation.

NOVA SCOTIA

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement with Nova Scotia was signed September 12, 1974, by the Minister of Regional Economic Expansion and the Premier of Nova Scotia.

The Province of Nova Scotia is in the process of rapid and accelerating social and economic change, but significant disparities persist between Nova Scotia and the rest of Canada. Total income per capita is approximately three-quarters of the national level; the rate of participation in the labour force is below national levels, and out-migration has, until recently, been significant. In short, the Nova Scotia economy has experienced some progress toward the reduction of disparities during recent years, but serious problems still exist.

The objectives of this Agreement are to encourage the expansion of viable, long-term employment opportunities and to promote optimum quality of life within Nova Scotia and increased earned incomes for its people; and assist in the development of a dynamic and creative provincial economy which will encourage the growth and stability of economic activity in the province.

In seeking to achieve these general objectives, the governments will jointly pursue strategies involving more specific sectorial and geographic approaches, including:

- (a) the development of new or expanded employment opportunities throughout the province by the identification and implementation of appropriate development opportunities;
- (b) the design and implementation of urban and rural development measures required to promote and support economic and socio-economic development opportunities in Nova Scotia;
- (c) the development of the resource industries of fishing, agriculture, forestry and mining through measures to improve their efficiency, productivity and optimum resource utilization, including intensified research and the further processing of their primary products;
- (d) the development of the Halifax-Dartmouth Metropolitan Area, with special emphasis on high-technology industries, communication, distribution and transportation-related industries, and a wide range of business and personal services, consistent with its evolution as a major business and service centre;

- (e) the continued development of the primary and secondary processing of imported and domestic raw and semi-finished materials in the Strait of Canso area;
- (f) the development of the economic and social opportunities of the tourism/recreation and related sectors;
- (g) the provision of interim assistance required to eliminate impediments threatening the retention and maintenance of otherwise viable employment opportunities and industries;
- (h) the development of spin-off opportunities related to supply, service, exploration, extraction and distribution of off-shore oil and gas;
- (i) the development of ocean science technology and ocean-related industries, including shipbuilding and ship repair;
- (j) the development of energy resources and energy distribution systems to assist in providing the adequate energy supplies to Nova Scotia consumers and industries.

To December 1, 1975, the following subsidiary agreements have been signed with Nova Scotia.

- Mineral Development
- Metropolitan Halifax-Dartmouth Area Development
- Strait of Canso Area Development

Summaries of these sub-agreements follow.

NOVA SCOTIA
SUBSIDIARY AGREEMENT

| | |
|-----------------------|--|
| SUBJECT | Mineral Development |
| DURATION OF AGREEMENT | February 17, 1975 to March 31, 1980 |
| OBJECTIVES | To increase employment and investment in the province's mining sector by providing for accelerated mineral reconnaissance, geological programs and an assessment of mineral resources. |
| BACKGROUND | <p>The mineral industry in Nova Scotia has been centered in the coal industry, an industry which has not, in the past, been able to contribute significantly towards closing the regional disparity gap.</p> <p>It has been recognized that new mineral deposits have to be found to broaden the industry base and create more economic impact. Programs have been carried out in mineral exploration, but a less than dynamic industry exists. Previously, policy review work suggested substantial development opportunities existed in lead and zinc, barite and fluorite, gypsum and salt. Recent successful mineral discoveries have indicated a relatively high exploration potential.</p> <p>It is now an opportune time to accelerate and broaden the scope of these programs; reduce or eliminate identifiable constraints to mineral exploration and development; undertake the processing of minerals which are presently mined and exported in raw or bulk form; all with the intention of increasing employment and investment opportunities through the development of mineral-based industries in the Province.</p> <p>This sub-agreement was developed in close cooperation with the federal Department of Energy, Mines and Resources and the Province of Nova Scotia. It was signed by the Minister of Regional Economic Expansion and the Provincial Minister of Development.</p> |

ELEMENTS

The six major elements of the sub-agreement relate to:

(a) Resource Development Planning

The purpose of resource development planning is to identify development opportunities and devise programs to optimize governmental efforts in promoting exploration and exploitation of the mineral resource.

(b) Mineral Resource Inventory

To provide a base for formulating policies and programs regarding mineral exploration and development, there is required a complete and comprehensive data and information system on the nature, extent and location of known mineral occurrences. An inventory of known resources is the first step in developing priorities of action.

(c) Mineral Evaluation Survey

An examination, mapping and evaluation of known mineral occurrence and the search for new deposits of industrial minerals provides a direct means of encouraging mineral development and the utilization of provincial resources.

(d) Geological-Geochemical Survey

One of the most useful functions in stimulating continuing exploration activity by private industry is the provision of basic geological data and concepts. The program will give priority to selected areas with the objective of carrying out a comprehensive and coordinated approach utilizing a broad range of geological, geochemical and geophysical techniques.

(e) Laboratory Services

The Department of Mines operates a laboratory to perform analytical services, ceramic testing and small scale mineral dressing tests; however, some of its major analytical equipment is now obsolete and of insufficient capacity to meet increasing demands of the Department and industry. This agreement will attempt to improve the situation.

MAXIMUM
EXPENDITURES

The following is a list of projects the province will
arrange to carry out under this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Resource Develop- ment Planning | \$ 715 000 | \$ 143 000 | \$ 572 000 |
| Mineral Resource Inventory | 120 000 | 24 000 | 96 000 |
| Mineral Evaluation Survey | 1 920 000 | 384 000 | 1 536 000 |
| Geological-Geochemi- cal Survey | 2 505 000 | 501 000 | 2 004 000 |
| Laboratory Services | 325 000 | 65 000 | 260 000 |
| Program Management and Administration | 753 000 | 150 600 | 602 400 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL | \$6 338 000 | \$1 267 600 | \$5 070 400 |

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a Management Com-
mittee composed of one representative from DREE, one
from EM&R, and two from the province, as designated
by the respective Federal and Provincial Ministers.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

| | |
|-----------------------|--|
| SUBJECT | Metropolitan Halifax-Dartmouth Area Development |
| DURATION OF AGREEMENT | March 31, 1975 to March 31, 1980. |
| OBJECTIVES | To enable Halifax-Dartmouth to function more effectively in its role as the principal regional centre in the Atlantic Provinces by ensuring desirable development of the downtown areas of the two cities, continued development of the harbour resource and increased industrial development, particularly in high technology industries. |
| BACKGROUND | <p>The Halifax-Dartmouth Metro area is the most prosperous part of the Atlantic, with per capita and family incomes about 10 per cent above the national average. More importantly, it is now coming to play a central role within the total Atlantic economy. The Halifax-Dartmouth Metropolitan area has gradually changed from a slow-growth area to a major growth centre, with increasing links to the major metropolitan areas in the rest of Canada and the eastern seaboard of the United States. It is essential that the rate of development and growth in the Metro area be sustained, not only to ensure continued prosperity for the residents of Halifax-Dartmouth but also to ensure the generation of the maximum possible benefits for the remaining parts of Nova Scotia and the Atlantic Region.</p> <p>Five broad benefits are anticipated to arise from the implementation of this Subsidiary Agreement:</p> <ul style="list-style-type: none">(a) It will provide employment for future additions to the work force, particularly additions based on in-migration from other parts of the Atlantic Provinces.(b) The Subsidiary Agreement will help to ensure that expansion goes forward in an orderly manner, with the generation of the minimal amount of "disbenefits" generally associated with high growth. |

- (c) The Subsidiary Agreement will assist in ensuring that the current upward momentum in the Halifax-Dartmouth economy is sustained.
- (d) Related to the previous "benefits", the implementation of this Subsidiary Agreement will lead to a better integrated Atlantic economy through an improved and expanded transportation and distribution system to take advantage of the unique "Gateway" location of Halifax in relation to world markets.
- (e) The Subsidiary Agreement will assist in the restructuring of the Halifax-Dartmouth economy towards more highly skilled manufacturing and services activities which will increase opportunities for new employment and increased incomes.

This sub-agreement illustrates the federal policy of interdepartmental cooperation on development matters. On the federal side, the departments of Public Works, Transport, Environment, Urban Affairs, Manpower and Immigration and the National Harbours Board have worked closely with DREE on the sub-agreement and will be closely involved in its implementation.

This sub-agreement was signed by the federal Ministers of Regional Economic Expansion, Public Works and Urban Affairs, and by the Nova Scotia Minister of Development.

ELEMENTS

The Halifax-Dartmouth sub-agreement calls for programs in three broad developmental categories: metro development in the Halifax-Dartmouth area, port-related development and industrial development.

The waterfront development master plan will include space for a hotel and convention complex, office facilities for federal and provincial governments, commercial and retail space, ferry terminals and housing. The development is expected to generate millions of dollars in income annually, and some 2 000 to 4 000 jobs within the office space provided.

Funds are provided to complete the construction of a regional water supply. Demands on the existing water supply are close to capacity, and continued development of the Metropolitan area requires that this new water supply be established.

Work to be done includes the construction of approximately 16 miles of transmission main to carry water from the treatment plant at Pockwock Lake to the City of Halifax and into Bedford. The line will connect with the North End feeder through a control chamber near Main Avenue at Dunbrack Street in Halifax, with the Geizer Hill and Cowie Hill Reservoirs, and with the Bedford Reservoir.

To ease traffic problems in the Halifax area caused by increased development of the waterfront, a computerized traffic management centre will be introduced. Improvements to Portland Street and the construction of Dunbrack Street will also be carried out to accommodate increasing traffic.

The port-related section of the sub-agreement notes the fact that facilities at the highly successful Halifax container terminal will operate at capacity this year. Feasibility and design studies will, therefore, be carried out for possible construction of additional facilities.

The third program in this subsidiary agreement is concerned with industrial development of which the most promising areas are high technology and ocean-oriented industry.

Studies will be carried out into the feasibility of ship repair facilities for the area, and the costs and benefits of industrial park extensions.

Approximately 200 acres adjoining the Burnside Industrial Park will be serviced with water, sewers and roads to meet future demands for industrial land and a Bedford bypass will be constructed to ease traffic in the northeast area of the metropolitan area.

MAXIMUM
EXPENDITURES

The following is a reference to the projects the province will arrange to carry out under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Halifax-Dartmouth Waterfront Development | \$ 87 710 000 | \$22 253 000 | \$65 457 000 |
| The Gateway: The Port | 1 500 000 | 300 000 | 1 200 000 |
| Industrial Development | 21 600 000 | 8 260 000 | 13 340 000 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL | \$110 810 000 | \$30 813 000 | \$79 997 000 |

ADMINISTRATION AND MANAGEMENT Administration of the sub-agreement will be in the hands of a joint management committee comprising members from the federal Department of Regional Economic Expansion and the provincial Department of Development. An Intergovernmental Waterfront Committee composed of members from the federal Departments of Regional Economic Expansion, Public Works and Urban Affairs, relevant provincial departments and municipal representatives is responsible for managing the Halifax-Dartmouth Waterfront Development Project of the sub-agreement.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

SUBJECT Strait of Canso Area Development

DURATION OF March 31, 1975 to March 31, 1977
AGREEMENT

OBJECTIVES To stimulate the development of a major industrial concentration at the Strait of Canso and thus ensure that important assets, such as an excellent deepwater harbour, are used to promote maximum income and employment opportunities for the people of Nova Scotia.

BACKGROUND The Strait of Canso has one of the finest deep water harbours in the western hemisphere. Development of the causeway in 1955 created a fully sheltered and ice-free harbour out of the Strait. It has water depths up to 120 feet within a few hundred yards of the shore. Canso is slightly over 200 miles from Halifax and is fully accessible by road, rail and water.

The harbour in itself gives the Strait area a tremendous advantage over most ports on the North American Atlantic Coast. Since the advent of super tankers and large bulk carriers, industrial concerns are indicating a strong preference for locating production and service facilities dependent on large volume raw material shipment, at strategic points with deep water harbours. The Strait has the further advantage of being convenient to important Atlantic shipping routes and is relatively close to urban centres which offer support services and from which a labour force can be drawn.

The opportunity, therefore, lies in capitalizing on these assets by attracting a number of major industries to the Strait.

This sub-agreement was developed in consultation which other federal government departments, such as Industry, Trade and Commerce, and Manpower, and with provincial authorities. It was signed by the Minister of Regional Economic Expansion and the Nova Scotia Minister of Development.

ELEMENTS

(a) The Strait of Canso Development Office

This office will be responsible for the development planning for the region; coordination of municipal and provincial government activities in cooperation with the Strait of Canso Steering Committee, and management and administration of activities to promote industrial development in the area.

(b) Integrated Region Planning

Overall planning will be developed with emphasis on 1) a comprehensive regional and municipal planning program to provide for an orderly and integrated community and physical development of the Strait of Canso, and 2) optimum utilization and environmental management of the harbour area.

(c) Community and Industrial Infrastructure

Under this program, feasibility analyses, design and construction of selected infrastructure projects will be undertaken, including:

Melford Brook Reservoir
 Expansion of Landry Lake Reservoir
 Port Hawkesbury School/Community Centre
 Mulgrave By-Pass Highway
 Trunk 104 - East of Port Hawkesbury to Cannes.

MAXIMUM
EXPENDITURES

The following is a summary of projects that the province will arrange to carry out under this agreement;

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Strait of Canso Development Office | \$ 1 850 000 | \$ 370 000 | \$ 1 480 000 |
| Integrated Regional Planning | 2 090 000 | 418 000 | 1 672 000 |
| Community and Industrial Infrastructure | 21 531 000 | 5 561 000 | 15 970 000 |
| TOTAL | \$25 471 000 | \$ 6 349 000 | \$19 122 000 |

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

..NEW BRUNSWICK

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement with New Brunswick was signed April 23, 1974, by the Minister of Regional Economic Expansion and the Premier of New Brunswick.

The Province of New Brunswick is characterized by economic underdevelopment in relation to Canada generally. Levels of employment and participation in the labour force are lower than the Canadian average and many thousands of provincial residents have been obliged to leave the province to seek opportunities elsewhere. Per capita incomes are significantly below the national average with a high proportion of families living in relative poverty. Further indications of underdevelopment are levels of education, health, housing and other basic services which are below the national average.

The primary objective of this General Development Agreement with New Brunswick is to reduce the gap in earned income per capita between that province and Canada on a whole. A further objective is that per capita incomes should be raised while minimizing net migration from the province. To meet these objectives, development strategy is aimed at achieving a faster rate of growth in provincial output by raising productivity, increasing the number of viable employment opportunities, and encouraging the development of a skilled and versatile labour force.

Specific strategies to be employed to meet the objectives include:

- (a) The identification, pursuit and realization of development opportunities through the coordinated application of relevant federal and provincial programs.
- (b) The joint funding of infrastructure required to support development opportunities as well as to facilitate broader community and area development.
- (c) For resource based industries, to raise incomes through greater productivity and maintenance of employment by increased output of primary products. A major element of this strategy will be to encourage the processing in New Brunswick of natural resources now exported in raw form and the production of higher-value products. Resources of concern are: agriculture, forestry, minerals and fish.

- (d) In recent years manufacturing not directly based on natural resources had increased its share of employment in New Brunswick, with some diversification into product lines new to the province. The further diversification of the manufacturing base into items of higher value requiring modern technology and skilled labour will continue to be of high priority in the development strategy.
- (e) Tourist activity provides provincial residents with a valuable source of income and employment. The development strategy will focus on the most effective means by which residents of New Brunswick can benefit from the increasing flow of travellers and visitors to the province.

To December 1, 1975, the following sub-agreements have been signed with New Brunswick.

- Highways - 1974-75
- Miramichi Channel Study
- Agricultural Development
- Forestry
- Industrial Development
- Kent Region Pilot Project
- King's Landing Historical Settlement
- Saint John and Moncton Arterial Highways

Summaries of these sub-agreements follow.

NEW BRUNSWICK
SUBSIDIARY AGREEMENT

SUBJECT Highways - 1974-75

DURATION OF June 24, 1974 to March 31, 1975
AGREEMENT

OBJECTIVES To continue previous departmental efforts to improve the highway transportation system of New Brunswick. Further improvements to the highway network will encourage more development of the provincial economy by providing access to markets, employment opportunities, centralized educational facilities, and other services, and by stimulating tourism.

BACKGROUND The economic and socioeconomic growth of a region is influenced by the adequacy of its transportation system. As a part of any transportation system, good highways provide economical access to markets for producers or manufacturers, allow workers easy access to employment opportunities, permit students access to centralized educational facilities and users to move between airport facilities and service areas, give shippers access to port facilities, allow improvements in the competitive position of transportation modes, and enhance the opportunities and benefits to be derived by local residents from activities in recreation, tourism, medical services and shopping facilities.

 The highway system must facilitate economic and safe transfer of people, materials and finished products in support of existing and increased industrial growth opportunities. The system should provide year-round uninterrupted service. Unfortunately, this is not the case in large areas of the Province of New Brunswick where many highways are subjected to severe weight restrictions for several months of each year. Where and when applied, these restrictions add significantly to the cost of highway transportation of resources for processing and finished goods to markets.

This sub-agreement was developed as an extension of work already started under earlier agreements.

It was signed by the federal Ministers of Regional Economic Expansion and Public Works, and by the New Brunswick Premier and the Minister of Highways.

ELEMENTS AND
MAXIMUM
EXPENDITURES

The following is a list of projects the province will arrange to carry out under this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Campbellton-Dalhousie Bypass (construction and paving) | \$ 2 500 000 | \$ 625 000 | \$ 1 875 000 |
| Bathurst Bypass to Belledune (design, construction and grading) | 3 275 000 | 820 000 | 2 455 000 |
| Shediac North - Route 11 (construc- tion and grading) | 2 460 000 | 615 000 | 1 845 000 |
| Shediac to Moncton (construction and paving) | 1 600 000 | 400 000 | 1 200 000 |
| Caraquet to Chatham Bridge (Route 11) | 3 500 000 | 875 000 | 2 625 000 |
| TOTAL | <u>\$13 335 000</u> | <u>\$3 335 000</u> | <u>\$10 000 000</u> |

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a Management Committee consisting of equal numbers of representative of each government, as designated by the respective Federal and Provincial Ministers.

NEW BRUNSWICK
SUBSIDIARY AGREEMENT

SUBJECT Miramichi Channel Study

DURATION OF February 17, 1975 to March 31, 1975
AGREEMENT (retroactive to April 1, 1974)

OBJECTIVES To determine the feasibility of possible future harbour
 developments affecting the Newcastle-Chatham area.
 The agreement calls for a coordinated effort of several
 federal and provincial departments.

BACKGROUND The ports of Newcastle and Chatham on the Miramichi
 River in Northeast New Brunswick have been important
 to the economy of the region for nearly 200 years and
 there has been a continuous history of shipping from
 these ports since 1779. The present day shipping
 activity is centred around the shipment of pulp,
 particle board and ore from these ports and the unloa-
 ding of petroleum products for distribution by truck
 and rail to other points in the region.

At the present time, the available navigation depth
is in the order of 20 feet governed mainly by limiting
depths and restricted widths in the areas of the outer
bars and Inner Miramichi Bay, but the limiting natural
depth without dredging is believed to be less than 15
feet.

It is believed by some that the Grande Dune Flats
section of the channel, which consists of soft mud,
is only kept open by the passage of ships. Vessels
having a draught of up to 21.5 feet can negotiate the
channel making passage through the Inner Bay only at
high tide.

Earlier work by various government and consulting
staff resulted in a number of recommendations, inclu-
ding:

"That in-depth hydraulic and ecological studies be
made of the technical aspect of dredging the Miramichi
River to 26 feet to be able to assess the feasibility
of maintaining the channel of 26 feet and the impact of
these maintenance operations on the environment".

Reflecting the responsibility and interest of various federal and provincial departments in the examination of the feasibility of a 26-foot channel, financial support for the Miramichi River Navigation Channel Study is being provided by a number of agencies. The anticipated financial arrangements for the two-year study are as follows.

(a) Project Management:

- i) Department of Public Works - Anticipated direct cost of \$95 000.

(b) Field Studies:

- i) Department of Regional Economic Expansion - maximum cost of \$263 580.
- ii) New Brunswick Department of Economic Growth - maximum cost of \$87 860.
- iii) Department of the Environment (Hydrographic Service) - direct cost of \$68 000 and indirect costs, including contract and field survey supervision and loan of equipment.

(c) Hydraulic Model:

- i) Ministry of Transport - anticipated direct costs of \$78 000.
- ii) National Research Council - provision of staff and facilities.

As indicated above, DREE is involved with the field study and this sub-agreement was prepared to cover the cost of the study.

It was signed by the federal Ministers of Regional Economic Expansion, Transport, Public Works and Environment, by the Premier of New Brunswick and by the New Brunswick Ministers of Economic Growth and Fisheries and Environment.

ELEMENTS

- (a) Main Field Work - This will involve a survey of the Miramichi River and Bay area to produce a 1:20 000 metric hydrographic chart, with depths recorded at approximately 100 metre intervals. Tidal water boundaries will also be recorded, and salinity, temperature and suspended sediment will be measured. A comprehensive survey of bottom sediments will be carried out.

- (b) Channel Bottom Sampling Survey - Intermittent sampling of the bottom of the navigation channel with a view of determining the effects of navigation on the natural deposition pattern of the bay will be done.

MAXIMUM
EXPENDITURES

The maximum expenditures for these elements are:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Miramichi Channel Field Surveys | | | |
| (a) Findings of Miramichi River and Bay to determine area topogra- phy | \$ 334 650 | \$ 83 663 | \$ 250 987 |
| Channel Bottom Sampling Survey | 16 790 | 4 197 | 12 593 |
| TOTAL | <u>\$ 351 440</u> | <u>\$ 87 860</u> | <u>\$ 263 580</u> |

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

NEW BRUNSWICK
SUBSIDIARY AGREEMENT

| | |
|-----------------------|---|
| SUBJECT | Agricultural Development |
| DURATION OF AGREEMENT | February 17, 1975 to March 31, 1977 |
| OBJECTIVES | To encourage increased employment opportunities, higher income levels and improved job stability for people working in agriculture and related industries; to maintain a higher level of product quality and to further expand production from the agricultural sector. |
| BACKGROUND | <p>In order to achieve the above objectives, a number of measures will be required, including the following:</p> <ul style="list-style-type: none">(a) Measures to ensure a fuller utilization of the existing land, labour and capital resources in each region of the province.(b) Measures to stimulate fuller exploitation of market opportunities, both domestic and export.(c) Measures to enhance the industry's ability to consult with government on the establishment of development goals and identification of possible development initiatives.(d) Measures to provide the support and developmental assistance required to implement the strategy. |

The terms of this subsidiary agreement were developed by a task force comprised of representatives from DREE, Agriculture Canada, New Brunswick Department of Agriculture and the New Brunswick Provincial Cabinet Secretariat. It was signed by the federal Ministers of Regional Economic Expansion and Agriculture, the Premier of New Brunswick and the New Brunswick Minister of Agriculture and Rural Development.

ELEMENTS

There are four program elements under this sub-agreement:

- (a) Planning and Development Program - which is designed to provide a provincial agricultural policy and planning framework within which development opportunities may be elaborated by government, individuals and commodity groups, and to support research and studies designed to identify specific employment opportunities with the agricultural sector.
- (b) Development Opportunities Program - which is designed to provide the financial assistance required to stimulate the development of those agricultural commodities for which New Brunswick enjoys a comparative advantage on either the provincial or export market.
- (c) Entrepreneurial Development Program - which is designed to provide opportunities for participants to consult with government in shaping policy and programs and to encourage and influence entrepreneurs to develop opportunities in the sector.
- (d) Implementation Support Program - which is designed to provide the financial assistance required to administer and implement the activities of the sub-agreement.

| MAXIMUM EXPENDITURES | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|-----------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Planning and Development | \$1 156 900 | \$ 231 380 | \$ 925 520 |
| Development Opportunities | 4 223 950 | 844 790 | 3 379 160 |
| Entrepreneurial Development | 2 063 675 | 412 735 | 1 650 940 |
| Implementation Support Program | 1 291 450 | 258 290 | 1 033 160 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL | \$8 735 975 | \$1 747 195 | \$6 988 780 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

NEW BRUNSWICK
SUBSIDIARY AGREEMENT

| | |
|-----------------------|---|
| SUBJECT | Forestry |
| DURATION OF AGREEMENT | February 17, 1975 to March 31, 1979 |
| OBJECTIVES | To mount a comprehensive province-wide forestry development program that would increase production of high quality timber and expand the wood processing industry, thus improving employment and earning opportunities for local people. |
| BACKGROUND | <p>The programs and projects to be carried out under this Forestry Sub-Agreement are based on the results of the New Brunswick Forest Resources Study, the product of a separate Federal-Provincial Agreement made in March, 1972. To realize the full potential for timber production and significantly expand processing capacity, it will be necessary to improve the management of public and private forest lands. Priority has been placed upon the development of an increased wood supply of improved quality which can be produced and sold on the domestic and world markets at competitive prices. To achieve this objective, effective resource allocation, more complete utilization and an improved wood delivery system will be necessary.</p> <p>The Agreement provides for major development efforts to be undertaken on a pilot basis in the Bathurst region which will test, under operational conditions, new policies for wood allocation and new techniques in forest management and harvesting.</p> <p>Approximately one-half of the funds provided under the Agreement are devoted to intensified forest management. This will include the development of better forest management information; the expansion of forest nursery activities; increased tree planting and stand improvement; the development of an integrated network of forest roads; the testing of spruce budworm control concepts; and the development of other uses of the forest resource, including recreation. In addition,</p> |

steps will be taken to encourage increased productivity and output from private woodlots.

Other programs are focused at increasing resource utilization through the adoption of more efficient harvesting techniques, improved transportation facilities and industrial development. Within the pilot area, a serviced industrial site for a wood industries complex is being established.

To support these initiatives, the agreement includes programs for the provision of an adequate supply of well trained labour, the provision of professional and technical services and the design of an institutional facility to accommodate forest resource-oriented education, research and administrative activities.

This sub-agreement was signed by the Minister of Regional Economic Expansion, the Premier of New Brunswick and the New Brunswick Minister of Natural Resources.

ELEMENTS

There are five program elements under this sub-agreement:

- (a) Forest Management - which covers such subjects, as: Woodlands Inventory, Silviculture, Crown Land Consolidation, Resource Protection, Multiple Use Development, Arterial Road System, Private Woodlot Management.
- (b) Resource Utilization - which deals with: Forest Harvesting, Equipment Loan Fund, Industrial Development, Transportation.
- (c) Manpower Development - including studies of problems of recruiting, supply, demand, working conditions, rates of pay, benefits and training as well as education and research.
- (d) Administration - to cover costs of staff expenses and related equipment; the planning and design of new facilities and other associated costs.
- (e) Pilot Project - to provide assistance for establishing and maintaining a management team; to assist in the purchase of assets, and to contribute to the cost of site preparation and servicing.

| MAXIMUM EXPENDITURES | ESTIMATED <u>TOTAL COST</u> | PROVINCIAL <u>SHARE</u> | FEDERAL <u>SHARE (DREE)</u> |
|-------------------------|--------------------------------|----------------------------|--------------------------------|
| Forest Management | \$28 336 000 | \$ 5 667 200 | \$22 668 800 |
| Resource Utilization | 18 503 500 | 3 700 700 | 14 802 800 |
| Manpower Development | 2 219 500 | 443 900 | 1 775 600 |
| Administration | 4 582 750 | 916 550 | 3 666 200 |
| Pilot Project | 4 387 250 | 877 450 | 3 509 800 |
| TOTAL | <u>\$58 029 000</u> | <u>\$11 605 800</u> | <u>\$46 423 200</u> |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

NEW BRUNSWICK
SUBSIDIARY AGREEMENT

| | |
|-----------------------|---|
| SUBJECT | Industrial Development |
| DURATION OF AGREEMENT | February 17, 1975 to March 31, 1979 |
| OBJECTIVES | To expand, diversify and strengthen manufacturing and processing activities in the province. Specifically, it will seek to diversify manufacturing into higher value products requiring modern technology and skilled labour, and to encourage the establishment of industries based on the province's natural resources or its strategic maritime location. |
| BACKGROUND | <p>Major portions of the funds provided under the Agreement are devoted to opportunity identifications and promotion and provision of industrial infrastructure. This includes provision of facilities, equipment and services required to carry out experimental manufacturing enterprises for industrial locations or expansions; acquisition and servicing of industrial sites in areas where there is a significant demand for industrial land; and the provision of finished factory space and related facilities supplying central administrative and technical services simultaneously to several manufacturers wishing to produce new products. Other initiatives are directed toward the formulation, monitoring and evaluation of industrial development policies and programs and the planning of technical and impact studies related to specific industrial development opportunities and projects.</p> <p>This sub-agreement was developed in consultation with the federal Departments of Finance and Industry, Trade and Commerce, and with various provincial departments. It was signed by the Minister of Regional Economic Expansion, the Premier of New Brunswick, and the New Brunswick Minister of Economic Growth</p> |

ELEMENTS

There are four program elements under this sub-agreement:

- (a) Planning of Industrial Development - under which funds will be provided for a small staff and other services for a planning and programming unit to be established in the New Brunswick Department of Economic Growth. Planning studies will also be supported.
- (b) Regional Industrial Development - under which funds will be provided for the establishment of Regional Industrial Development Commission in a number of regions, together with the funding of additional provincial staff required to assist the Commissions.
- (c) Assistance to Manufacturing Industry - which involves investment in building and equipment and initial operating expenditures to carry out experimental manufacturing and marketing on a scale intermediate between pilot and full production. Sales of products and patents might generate some revenue, which would be shared between the governments in the same proportions as the funding.

Also included in this element is the provision of factory space when necessary to assist manufacturing enterprises to become established.

- (d) Provision of Industrial Infrastructure - under which funds will be provided for: the acquisition and servicing of industrial sites; creation of an industrial mall in which space will be rented; and the funding of other industrial infrastructure at as yet unidentified sites if necessary to promote investment by private industry.

| MAXIMUM EXPENDITURES | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Planning of Industrial Development | \$ 5 313 000 | \$ 1 062 600 | \$ 4 250 400 |
| Regional Indus- trial Develop- ment | 5 307 250 | 1 061 450 | 4 245 800 |
| Assistance to Manufacturing Industry | 3 967 500 | 793 500 | 3 174 000 |
| Provision of Indus- trial Infrastructure | 15 640 000 | 3 128 000 | 12 512 000 |
| TOTAL | <u>\$30 227 750</u> | <u>\$ 6 045 550</u> | <u>\$24 182 200</u> |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

NEW BRUNSWICK
SUBSIDIARY AGREEMENT

| | |
|-----------------------|---|
| SUBJECT | Kent Region Pilot Project |
| DURATION OF AGREEMENT | February 17, 1975 to March 31, 1977 |
| OBJECTIVES | To undertake a pilot project which would assist residents of the Kent Region (Kent County and Hardwick and Rogersville Parishes in Northumberland County) in developing and implementing projects in fisheries, forestry, agriculture, resource-based manufacturing, tourism and recreation, in order to improve income and employment opportunities in the region and to gain experience which could be usefully applied in other areas of Canada. |
| BACKGROUND | <p>Although the Kent Region is presently characterized by high unemployment and low income, it has potential for substantial economic expansion. A variety of organizations, including New Brunswick NewStart, regional development groups and federal and provincial agencies, have studied development possibilities in the Kent region. Among development opportunities identified to date are: increasing production and processing of agricultural products; increasing returns from regional forests through improving their management and increasing local value added; developing Christmas tree stands; expanding tourist facilities based on the scenic and historic resources of the area and the growth of Kouchibouguac National Park; increasing returns from the fisheries and increasing the locational advantages to attract manufacturing activity in parts of the region.</p> <p>One of the most promising aspects of the Kent situation is the interest and initiative of the local people, who may be encouraged to capitalize on area potential. To facilitate this, measures must be taken to encourage interested individuals or groups in exploring opportunities and, where possible, assisting them in obtaining necessary information, technical guidance and capital to pursue opportunities.</p> |

This sub-agreement was signed by the Minister of Regional Economic Expansion and the Premier of New Brunswick.

ELEMENTS

The main program elements of this agreement are:

- (a) Project Initiation and Technical Support Program - which will involve providing financial assistance to projects as they become ready, as well as providing technical and marketing guidance, and studying selected sectors.
- (b) Infrastructure Program - which involves funding municipal services and other facilities in communities where a lack of such facilities is demonstrated to be hindering economic expansion.

| MAXIMUM EXPENDITURES | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Project Initiation Technical Support | \$1 656 000 | \$ 331 200 | \$1 324 800 |
| Infrastructure | 1 150 000 | 230 000 | 920 000 |
| Program Administration | 345 000 | 69 000 | 276 000 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL | \$3 151 000 | \$ 630 200 | \$2 520 800 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

NEW BRUNSWICK
SUBSIDIARY AGREEMENT

SUBJECT King's Landing Historical Settlement

DURATION OF February 17, 1975 to March 31, 1977
AGREEMENT

OBJECTIVES To contribute to the further development of the province's tourist industry through the completion of the King's Landing Historical Settlement near Fredericton.

BACKGROUND The development of King's Landing was undertaken originally by Canada and New Brunswick under the FRED-Mactaquac Agreement following the decision to build the Mactaquac power dam on the Saint John River. The 90-mile area flooded by the dam contained a number of buildings of architectural and historical significance, which were dismantled and reconstructed at the Settlement situated on the headpond, 23 miles west of Fredericton.

The Historical Settlement recreates for the visitor the lifestyles of Saint John River Valley residents during the 19th century. The Settlement, by providing visitors with the opportunity to step into the past, has proved to be a remarkably successful tourist attraction and a major educational asset for the province. Despite its unfinished state, the number of visitors to the Village rose from 28 000 in its first season three years ago to 80 000 in 1974.

The subsidiary agreement will provide \$4.4 million over three fiscal years for the completion of the village to a fully operational level. Among activities to be undertaken are: completion of all remaining complexes in the settlement such as additional historical houses, a wharf and ferry landing, construction of a modern highway interchange system, construction of a visitor reception centre, parking lot and access road and a study of a potential water transport system on the Mactaquac headpond.

The sub-agreement was signed by the Minister of Regional Economic Expansion, the Premier of New Brunswick and the New Brunswick of Education (who is responsible for Historical Resources Administration).

ELEMENTS

There are four program elements under this sub-agreement:

- (a) Completion of Site Development, including the construction and restoration of features of the site; improvement of visitor handling systems, and further site development work.
- (b) Interchange Construction, to facilitate access to the site from the Trans-Canada Highway.
- (c) Construction of Visitor Reception Centre, Parking Lot and Access Road, to provide visitor information, general controls and services.
- (d) Water Transportation Pilot Project, to investigate a ferry system between the site and Mactaquac Provincial Park.

| MAXIMUM EXPENDITURES | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Completion of Historical Settlement | | | |
| (a) Completion of site develop- ment | \$1 259 250 | \$ 251 850 | \$1 007 400 |
| (b) Construction of Interchange | 2 012 500 | 402 500 | 1 610 000 |
| (c) Visitor recep- tion centre parking lot, access road | 948 750 | 189 750 | 759 000 |
| (d) Water transporta- tion pilot project | 172 500 | 34 500 | 138 000 |
| TOTAL | <u>\$4 393 000</u> | <u>\$ 878 600</u> | <u>\$3 514 400</u> |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

SUBJECT Saint John and Moncton Arterial Highways

DURATION OF AGREEMENT February 17, 1975 to March 31, 1979

OBJECTIVES To complete the work begun under earlier Special Areas Agreements on arterial roads required to improve the transportation of goods and people within Saint John and Moncton, and thus contribute to the further development of these major growth communities.

BACKGROUND This subsidiary agreement upholds a joint commitment by both governments to continue construction of the following major urban arterial roads: Wheeler Boulevard in Moncton, the Shediac Highway and the Saint John Throughway.

Construction was initiated under the Canada-New Brunswick Special Areas Agreement under which the Department of Regional Economic Expansion contributed \$5.5 million towards the cost of constructing Wheeler Boulevard and contributed \$19.8 million to construction costs and a further \$6.7 million in loans for land acquisition on the Saint John Throughway. The western section of the Throughway was opened last fall.

Sections of Wheeler Boulevard between St. George Street and Mountain Road have been completed. Last November, the City of Moncton and Canadian National Railways agreed upon the desirability of relocating rails from the city centre to an area north of the Trans-Canada Highway. In consequence, design and construction can now proceed on the eastern sections of Wheeler Boulevard between Mountain Road and Church Street.

Construction will proceed on the eastern section of the Saint John Throughway between the Harbour Bridge and the MacKay Highway; on Wheeler Boulevard between St. George and Church Streets, including related road connections; and on the Shediac Highway from the Trans-Canada Highway to Floral Avenue in Moncton.

These urban arterial highways will make a significant contribution towards economic and socioeconomic development in these larger metropolitan areas of the Province.

This sub-agreement was signed by the Minister of Regional Economic Expansion, the Premier of New Brunswick, and the New Brunswick Minister of Highways.

ELEMENTS

(a) Saint John Throughway

To complete the design and construction of the following portions of a limited access throughway in the City of Saint John from the eastern end of the Harbour Bridge to MacKay Highway.

(b) Wheeler Boulevard

To complete the design and construction of portions of a limited access four-lane regional arterial highway as a ring route around the Moncton Urban area and certain related connecting roads to the Trans-Canada Highway and south shore commodities.

(c) Shediac Highway

To complete the design and construction of a four lane Shediac to Moncton Highway from the Trans-Canada Highway to Floral Avenue.

In the listing of maximum expenditures, the costs of Wheeler Boulevard and the Shediac Highway are combined.

| MAXIMUM EXPENDITURES | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Saint John Throughway | \$20 200 000 | \$ 6 060 000 | \$14 140 000 |
| Wheeler Boule- vard and Shediac Highway | 24 500 000 | 7 350 000 | 17 150 000 |
| TOTAL | <u>\$44 700 000</u> | <u>\$13 410 000</u> | <u>\$31 290 000</u> |

ADMINISTRATION AND MANAGEMENT

Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the respective Federal and Provincial Ministers.

QUEBEC

GENERAL DEVELOPMENT AGREEMENT

The Canada-Quebec General Development Agreement was signed on March 15, 1974, by the Minister of Regional Economic Expansion on behalf of Canada and by the Minister responsible for the Quebec Planning and Development Bureau on behalf of the Province.

The Canada-Quebec GDA was based on a study of the socioeconomic issues and priorities of the province, as briefly outlined below, and from which developmental objectives were drawn and agreed.

An analysis of the economic situation reveals that Quebec has a quite diverse industrial base when compared to Ontario and the Canadian situation as a whole. However, secondary manufacturing and processing tends to be concentrated in Montreal, the major growth centre in the Province of Quebec. In addition to the concentration in Montreal, there are a number of other weaknesses in the Quebec economy. Although the per capita personal income is 24 per cent higher than that of the Maritime Provinces, it is 11 per cent lower than the national average. Quebec also has a much higher unemployment rate than the majority of the other provinces and a relatively lower rate of participation in the labour market. Finally, there are important disparities between the various social groups and the various regions in Quebec. In spite of this, from the end of the second World War until the mid-sixties, the total performance of the Quebec economy compared favourably with that of the Canadian economy. However, in the interval, the performance of the Quebec economy has deteriorated in relation to Ontario and the whole of Canada. For example, the Quebec share of Canadian investments fell from 25.3 per cent in 1964 to 20.1 per cent in 1970. The rate of growth in production, productivity and incomes was also weaker in Quebec during the same period. While the Quebec economy has shown some improvement in recent years, a massive effort will still be required to improve long-term economic performance.

The general objectives of the program for the economic development of Quebec may be summarized as follows:

- (a) to improve opportunities for productive employment and to consolidate employment in the traditional sectors;
- (b) to improve the standard of living;

- (c) to reinforce industrial and urban structure and promote the optimal development of the various regions;
- (d) to promote increased participation of Quebecers in their own development;
- (e) to promote balanced development in Quebec in relation to the various regions of Canada.

To pursue the objectives just stated, a broad development strategy for Quebec with the following sectorial and regional priorities was agreed on:

- (a) Primary Sector - The programs proposed in this sector comprise three elements: to increase incomes through high productivity; to aim for a development of the natural resources of Quebec which maximizes their impact on the manufacturing sector; and to add additional steps to the production processes.
- (b) Manufacturing Sector - The analysis of the industrial structure of Quebec leads to the formulation of development programs centered on two fundamental facets. We must first consolidate the traditional industrial sectors of non-durable goods and resource-processing. The other facet of the industrial strategy is oriented towards the accelerated transformation of the industrial structure of Quebec. The interdependent structures between industries must be changed with new links added to the chain of activities of high-growth, high-productivity industries.
- (c) Tertiary Sector - Although the tertiary sector is generally the result rather than the generator of a development, we can still identify certain activities which can play a promoting role in development. First we have the case of tourism, whose impact can be felt over the entire territory. As for other activities of the tertiary sector which promote development, transportation, finance and research have been singled out for concerted action.
- (d) Regional Balance - Efforts will be made to distribute growth among the various regions of Quebec in order to achieve a better urban balance and reduce interregional disparities.

The agreement provides a general orientation for the socioeconomic development of Quebec, it also permits Canada and Quebec to better coordinate their respective initiatives in the development of the Province.

To December 1, 1975, the following sub-agreements have been signed with Quebec:

- SIDBEC
- Key Highway Networks
- Industrial Infrastructure
- Forest Resources Access Roads

Summaries of these sub-agreements follow.

QUEBEC

SUBSIDIARY AGREEMENT

SUBJECT Financing of the 1974-1978 SIDBEC Expansion Plan (as amended)

DURATION OF AGREEMENT March 15, 1974 to March 31, 1978

OBJECTIVES To assist SIDBEC to carry out a major expansion, enabling the Corporation to capitalize on growing Canadian and export markets for steel. Among the anticipated benefits are more complete utilization of the province's labour potential, increased participation by SIDBEC in the domestic and export markets for steel products, and the general enhancement of industrial growth through the attraction of secondary industry for further processing of steel.

BACKGROUND Sidérurgie du Québec, or SIDBEC, was established by the Quebec government in the early sixties, in recognition of the need for competitively priced steel to act as a backbone for industrial development and economic growth in the province. Despite this active public role in the provincial steel industry, Quebec, in 1972, produced only 6 per cent of the national output of basic steel while, at the same time, consumed 18 per cent of the finished steel used in Canada. By carrying out a major expansion, the SIDBEC Corporation will be able to capitalize on growing Canadian and Quebec markets for steel, and this in turn will create more jobs, increase SIDBEC's participation in the domestic and export steel products market and attract secondary industry.

 This sub-agreement was developed in consultation with several federal departments, more particularly with the Departments of Finance, Industry, Trade and Commerce as well as with various provincial departments. It was signed by the Minister of Regional Economic Expansion and the Minister responsible for the Office de planification et de développement du Québec.

ELEMENTS The SIDBEC expansion plan 1974-1978 calls for the expansion of its steel-making and fabricating capacity from 900 000 to 1 600 000 tons per year as well as the modernization of part of its existing operations and the added capability of manufacturing galvanized steel.

MAXIMUM The following projects will be carried out as part of
EXPENDITURES the 1974-1978 expansion plan.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL & INDUSTRY SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|--|---------------------------------|
| Contrecoeur | | | |
| (a) Unloading, storage and transport of iron ore | \$ 5 850 000 | | |
| (b) Reduction plant | 45 382 000 | | |
| (c) Steel plant expansion | 88 000 000 | | |
| Other projects* (excluding Port Cartier) | 46 670 000 | | |
| Reserve | 20 000 000 | | |
| TOTAL | <u>\$205 902 000</u> | <u>\$175 902 000</u> | <u>\$30 000 000</u> |

* This amount will be committed progressively, giving priority to the exigencies of the above mentioned projects.

ADMINISTRATION A Development Committee established under the
AND MANAGEMENT authority of the General Development Agreement will provide policy direction. A Management Committee, consisting of an equal number of representatives of Canada and Quebec, appointed by the Federal and Provincial Ministers, will be established to supervise the implementation of this agreement and provide routine management.

QUEBEC

SUBSIDIARY AGREEMENT

SUBJECT Key Highway Networks

DURATION OF September 13, 1974 to March 31, 1979
AGREEMENT

OBJECTIVES To provide a comprehensive highway infrastructure which will promote the socioeconomic and industrial development in high potential corridors. More particularly, to facilitate the movement of industrial products within the province, especially traffic from SIDBEC steel mills at Contrecoeur. In this way, the development of the Tracy-Boucherville industrial corridor will be accelerated and the communication link with the large Montreal market greatly improved.

BACKGROUND The territory along the South Shore of the St. Lawrence River between Boucherville and Tracy already boasts considerable industrial activity, based mainly on the metallurgical and iron and steel industries. The area already has access to excellent harbour facilities, including a vast shipyard and a ready additional supply of electricity. Moreover it is gaining considerable ground in several other sectors, such as the petrochemical, electrical, research and heavy metal industry sectors.

The present highway network is inadequate and will act as a constraint to further development if corrective action is not taken. The improvements to be undertaken should ameliorate this situation and maintain the current rate of growth and optimize industrial expansion in a region with great potential for economic development.

The first project was developed in consultation with several federal departments, more particularly with the Departments of Finance and Transport, as well as various provincial departments. It was signed by the Minister of Regional Economic Expansion and the Minister responsible for the Office de planification et de développement du Québec.

ELEMENTS

This first project will provide for the construction of a divided highway with two lanes in each direction from Boulevard Grande Rivière in Tracy to Montée Sainte-Julie, a distance of 29 miles, as well as two additional lanes from Montée Sainte-Julie to the Trans-Canada Highway, a distance of 3 miles. In total, the project covers a distance of 32 miles of new highway construction involving the construction of 13 grade separations at secondary highways.

| MAXIMUM EXPENDITURES | ESTIMATED <u>TOTAL COST</u> | PROVINCIAL <u>SHARE</u> | FEDERAL <u>SHARE (DREE)</u> |
|-------------------------|--------------------------------|----------------------------|--------------------------------|
|-------------------------|--------------------------------|----------------------------|--------------------------------|

Construction of
roadway, structures
culverts, signals,
lighting and dis-
placement of public
utilities from
Boucherville to
Tracy.

\$44 275 000

\$17 710 000

\$26 565 000

ADMINISTRATION AND MANAGEMENT

A Development Committee established under the authority of the General Development Agreement will provide supervision. A Management Committee, consisting of an equal number of representatives of Canada and Quebec, appointed by the Federal and Provincial Ministers, will be established to supervise the implementation of this agreement and provide routine management.

FURTHER PROJECTS

Other projects are actually negotiated with provincial representatives and will be submitted to the Treasury Board for approval.

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|-----------------------|---|
| SUBJECT | Industrial Infrastructure |
| DURATION OF AGREEMENT | March 26, 1975 to March 31, 1978 |
| OBJECTIVES | To promote more balanced industrial development throughout Quebec by providing community facilities and services required to encourage and facilitate the establishment of new enterprises in various regions of the province. |
| BACKGROUND | <p>The development of the manufacturing sector in Quebec is dependent on the reinforcement of a network of infrastructures encouraging industry in various urban centres which will not necessarily be in a position to finance the growth or establishment of new industrial parks. To avoid too wide a diffusion of the thrust towards development in Quebec, and taking careful note of current trends in the province, the effort will be concentrated on a limited number of urban service centres. Those urban centres in Quebec which are already recognizable as growth poles must have large industrial parks so that, by their natural power of attraction, they will be able to draw enterprises which will reach beyond the purely local market. In this way, the role of these centres will be strengthened so that they can reach a level of development at which they can independently consolidate and accelerate economic development.</p> <p>The installation of infrastructure necessary for the fish-processing industry in the Lower St. Lawrence, the Gaspé, Iles-de-la-Madeleine and North Shore areas, will be facilitated, in that it enables the development of the fishery industrial parks to be completed.</p> <p>Finally, when an important industrial project wishes to establish in any region of Quebec, and if that project cannot move into one of the existing industrial parks, financial assistance may be provided to supply</p> |

it with municipal services. The proposed actions should ensure that a certain number of centres reach a level of development sufficient to bring about an independent growth pattern. These initiatives will thereby contribute to improved opportunities for productive employment through the reinforcement of the industrial and urban structure of Quebec, and promote the optimal development of the various regions.

This sub-agreement was developed in consultation with several federal departments, more particularly with the Departments of Environment and Finance as well as with various provincial departments. It was signed by the Minister of Regional Economic Expansion and the Minister responsible for the Office de planification et de développement du Québec.

ELEMENTS

Financial assistance under this program will facilitate the provision of infrastructure required by industry throughout Quebec. The program has three elements:

- (a) creation or expansion of industrial parks in a specific number of urban centres of the province;
- (b) establishment and development of several well-equipped fishery industrial parks in the Gaspé and Iles-de-la-Madeleine areas and fishery infrastructure in the North Shore area, and;
- (c) the provision of essential infrastructure projects in municipalities which are financially incapable of meeting the industrial requirements of specific industries.

| MAXIMUM EXPENDITURES | ESTIMATED TOTAL COST | PROVINCIAL SHARE | FEDERAL SHARE (DREE) |
|--|-------------------------|---------------------|-------------------------|
| Industrial Parks | \$32 551 720 | \$13 020 688 | \$19 531 032 |
| Industrial Fishery | 15 448 280 | 6 179 312 | 9 268 968 |
| Special Industrial Infrastructure Projects | 12 000 000 | 4 800 000 | 7 200 000 |
| TOTAL | <u>\$60 000 000</u> | <u>\$24 000 000</u> | <u>\$36 000 000</u> |

ADMINISTRATION
AND MANAGEMENT

A Development Committee established under the authority of the General Development Agreement will provide supervision. A Management Committee, consisting of an equal number of representatives of Canada and Quebec, appointed by the Federal and Provincial Ministers, will be established to supervise the implementation of this agreement and provide routine management.

Environment Canada has been invited to participate in the supervision of the development of fishery industrial parks.

QUEBEC

SUBSIDIARY AGREEMENT

SUBJECT Forest Resources Access Roads

DURATION OF March 26, 1975 to March 31, 1978
AGREEMENT

OBJECTIVES To encourage optimum utilization of Quebec's forestry resources, and thus consolidate and create employment in wood-based industries, through the development of an improved network of access roads serving forests in the northern regions of the province.

BACKGROUND The forest regions of southern Quebec, including Estrie, Outaouais, Mauricie, Quebec, Montreal, Gaspé and the Lower St. Lawrence, were the first to be developed and for all practical purposes, they are being exploited to the limit. Furthermore, with an increasing demand in the next several decades, existing supplies will be unable to satisfy the demand for wood-using industries in the province. Additional forest resources exist in the northern regions of Quebec but development has lagged to the extent that only one-half of the productive capacity is being realized. One of the chief reasons for this lag is the lack of access to the commercial timber stands by the processing industries. It is thus important that an adequate network of forest highways be constructed that would not only enable the shortfall in timber supply from the south to be offset, but to ensure the profit-making ability of existing installations in the northern regions thereby stimulating the expansion of existing industries as well as fostering the establishment of new forestry complexes. The optimal exploitation of the forest resources will allow these areas of Quebec to better realize existing potential for development and to consolidate - as well as create - forest-based employment in such industries as sawmills and pulp and paper plants. Finally, by giving access to the northern forests, the program will ameliorate the shortage forecast for the turn of the century.

This sub-agreement was developed in consultation with several federal departments, more particularly with the Departments of Environment and Finance as well as with various provincial departments. It was signed by the Minister of Regional Economic Expansion and the Minister responsible for the Office de planification et de développement du Québec.

ELEMENTS

- (a) Saguenay - Lac-Saint-Jean - Chibougamau
Chapais, Ste-Marguerite, Frotet Lake, Waconichi Lake, Bras Nord, Bourgat Lake, Margonne Lake.
Improvement of existing roads: 74 miles
Construction of new roads: 75 miles
- (b) North-Western Quebec
Quévillon-Matagami, Canica Island, Lac Valet, Townships of Fonteneau, Mazarin, Villebois, Bourque, Caire and Lanoue; Vall d'Or - Laforce, Lac Alfred - Rapide Sept and Témiscamingue, Waswanipi and Kokomis Lakes.
Improvement of existing roads: 96 miles
Construction of new roads: 160 miles
Construction of bridges: 4
- (c) North Shore
Sacré-Coeur, Domanial Forest of Outardes, Rivière-au-Tonnerre, Rivière-St-Jean and Natashquan, Labrieville.
Improvement of existing roads: 50 miles
Construction of new roads: 49 miles
Construction of bridges: 2
- TOTAL WORK TO BE DONE:
- Improvement of existing roads: 220 miles
Construction of new roads: 284 miles
Construction of bridges: 6

MAXIMUM EXPENDITURES

The following is a list of projects to be carried out under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--------------------------|---------------------------------|-----------------------------|---------------------------------|
| Saguenay Lac- St-Jean | \$ 5 812 000 | \$2 324 800 | \$ 3 487 200 |
| North West | 12 703 000 | 5 081 200 | 7 621 800 |
| North Shore | 5 685 000 | 2 274 000 | 3 411 000 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL | \$24 200 000 | \$9 680 000 | \$14 520 000 |

ADMINISTRATION AND MANAGEMENT A Development Committee established under the authority of the General Development Agreement will provide supervision. A Management Committee, consisting of an equal number of representatives of Canada and Quebec, appointed by the Federal and Provincial Ministers, will be established to supervise the implementation of this agreement and provide routine management.

ONTARIO

GENERAL DEVELOPMENT AGREEMENT

The Canada-Ontario General Development Agreement was signed on February 26, 1974 by the Minister of Regional Economic Expansion on behalf of Canada, and by the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs on behalf of the Province.

The Canada-Ontario GDA provides a general framework for the coordinated planning and implementation of regional development objectives and strategies which have jointly been identified and agreed.

Although Ontario ranks among the most prosperous of the 10 provinces from the standpoint of aggregate indicators of economic wealth, such measures fail to reflect the significant disparities in economic terms among the province's five Planning Regions. In fact, the rate of development in Northern Ontario and a significant portion of Eastern Ontario has not kept pace with that in the Province as a whole or in Canada generally. Unemployment rates and per capita income levels in these areas compare unfavourably with the corresponding provincial and national averages.

Social and economic development in Northern Ontario is impaired by the long distances separating the communities in the region from each other and from national and international markets and sources of supply. Also, the range of economic activities in the north is comparatively narrow, consisting mainly of the exploitation and export of mineral and forest resources. The relative lack of processing facilities and service operations acts as a serious constraint on the number of income and employment opportunities. Many communities suffer from a serious lack of public services.

As a consequence of the foregoing traits, the rate of population growth is approximately one-quarter of the provincial rate. The labour force participation is below average and the rate of unemployment is relatively high.

In Eastern Ontario, the underlying cause of the region's comparatively unfavourable unemployment and per capita income record is a decline in the labour requirements of the traditionally important agriculture and forest-based industries, together with a relative lack of employment growth in secondary manufacturing. Within some parts of the region, there is an overdependence on a narrow range of economic activities. This lack of a diversified economic structure has frequently meant instability and unemployment.

In order to affect in a positive way the economic situation in Northern and part of Eastern Ontario, special measures will be required to take advantage of the development potential. In the North, further resource processing may be an important means of providing additional employment and income opportunities. Tourism will also continue to be an important component of the economy and scope may exist for some import substitution enterprises. In Eastern Ontario, manufacturing, government institutions and tourism appear to offer the best growth prospects.

The general objectives of this agreement may be summarized as follows:

- (a) to improve opportunities for productive employment and access to those opportunities, and to sustain existing employment opportunities in those areas and sectors of Ontario which, relative to other areas and sectors of the province, are in need of special measures in order to realize their development potential in socioeconomic terms;
- (b) to encourage socioeconomic development in those areas of the province requiring special initiatives to permit the residents to contribute to and participate in the benefits of economic development;
- (c) to reinforce policies and priorities of the province for regional development within Ontario insofar as they pertain to the areas and sectors of the province identified in objective (a).

Programs carried out in pursuit of the objectives just stated will basically be in Northern and part of Eastern Ontario and these will be closely coordinated with the province's regional planning priorities and objectives and within the framework of the Ontario Design for Development Program. A list of action plans, which could lead to sub-agreements, was worked out cooperatively by the two governments, including:

- (a) Cornwall Area of Eastern Ontario:

Cornwall has attracted a considerable number of the workers leaving the agricultural sector, while being hit hard by major industrial closures. Consequently, unemployment has been much above the provincial average. A Cornwall subsidiary agreement has now been signed, which will facilitate joint government action in the Cornwall area. The two governments will contribute \$14 169 000 towards programs which will increase income and employment opportunities by stimulating industrial growth and developing the tourist potential of the city and area.

(b) Northwestern Ontario

Northwestern Ontario is the first part of the province for which a set of policy recommendations designed to help achieve the goals of the provincial Design for Development Program has been published and officially accepted. Consideration has been given to initiatives consistent with federal and provincial development objectives and priorities and designed to facilitate both urban and rural development. Emphasis has been placed on ways to enable the region's primate centre to play its intended central role in the development of the area. This, and other development initiatives have been facilitated through the signing of a Northwestern Ontario sub-agreement, under which the two governments are contributing \$41 169 000 dollars.

(c) Ontario Northlands

Outside growth centres designated pursuant to the Ontario Design for Development Program, there is a substantial group of socially and economically disadvantaged people isolated from the mainstream of provincial, social, and economic life by carriers such as geography, low levels of educational attainment, and poverty. A significant portion of this population is Indian or Metis. Although the Indians are located primarily in Northern Ontario, there are Indian Bands throughout the province. Many of these members can be considered to be isolated and disadvantaged. Special efforts will be made to encourage and assist residents of isolated communities to participate in and benefit from the realization of development opportunities. Possible areas for early attention in this regard include economic assistance for small businesses, community improvement measures (consistent with regional planning goals), and manpower training and skill upgrading programs. The federal and provincial governments have signed an Interim Northlands Agreement representing a commitment in principle to the development of a long-term Northlands Agreement. This interim agreement calls for the expenditure of \$427 500 to establish life skills courses, homemaker courses, recreation development, the identification of manpower adjustment needs, and evaluation of pilot projects.

This list of possible initiatives is not meant to be confining in any way; indeed, the expectation is that the number of topics will be augmented continuously over the life of the GDA, on the basis of an ongoing analysis of the opportunities for socioeconomic development.

To December 1, 1975 the following subsidiary agreements have been signed with Ontario:

- Cornwall Area
- Northwestern Ontario
- Dryden Development Infrastructure
- Interim Northlands

Summaries of these sub-agreements follow.

ONTARIO

SUBSIDIARY AGREEMENT

SUBJECT Cornwall Area

DURATION OF AGREEMENT February 26, 1974 to March 31, 1977

OBJECTIVES To create a long-term expansion in employment and income opportunities in the Cornwall area, and thereby to improve the rate of the area's growth relative to other regions of the province.

BACKGROUND Although Ontario ranks among the most prosperous of the ten provinces, unemployment rates and per capita incomes, in parts of Eastern Ontario, compare unfavorably with both the provincial and national averages.

 Much of Cornwall's unemployment problems result from the decline of the textile industries. At the same time, however, a considerable number of workers have been leaving the traditional agriculture and forestry sectors and locating in the city.

 In recent years, with the assistance of both federal and provincial industrial incentives programs, an important start was made in the diversification of the city's industrial base.

 Tourism has not yet developed to the point where it is generating substantial income and employment opportunities. However, the city, due to its strategic location and its attractive and scenic natural environment, possesses great potential to support a thriving tourism and convention industry.

 As the major urban center on the St. Lawrence Seaway in Eastern Ontario, Cornwall has an important role to play in the attainment of the goals of the province's Design for Development Program. These goals include the achievement of greater income and employment opportunities and a better standard of living for the population of a sizable surrounding area. The city, however, lacks both an adequate supply of serviced

industrial land and the fiscal capacity to provide industry with municipal services as required.

Canada and Ontario have agreed to cooperate in the launching of measures designed to bring about a long-term expansion in the employment and income opportunities available through improvements in the local physical, social and cultural environment. The agreement is directed toward the development of new industry, the expansion of commercial business and increased tourist facilities.

This sub-agreement was developed in consultation with several federal departments, more particularly with the Department of Public Works as well as with various provincial departments. It was signed by the Minister of Regional Economic Expansion and the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs.

ELEMENTS

The following projects are to be carried out under this agreement:

- (a) Eastern Industrial Park - completion and servicing of an industrial park of approximately 410 acres through the planning and installation of sanitary sewers, water mains and the construction of associated all-weather internal roads.
- (b) Canal Lands Development - construction of an all-purpose facility for athletic and cultural events on canal lands and associated upgrading of existing sanitary and storm sewers and water mains, as well as arterial roads.
- (c) West End-Single Industry Site - extension of water and sewer lines, improvement of the filtration plant and upgrading of internal services for industry locating on the site.
- (d) Tousist and Recreation Area - landscaping and services necessary to develop a tourist and recreation area in the western part of the city.

| MAXIMUM EXPENDITURES | ESTIMATED TOTAL COST | PROVINCIAL SHARE | FEDERAL SHARE (DREE) |
|----------------------------------|-------------------------|---------------------|-------------------------|
| Eastern Industrial Park | \$ 2 084 000 | \$1 042 000 | \$1 042 000 |
| Canal Lands Develop- ment | 7 690 000 | 3 845 000 | 3 845 000 |
| West End Single Industry Site | 3 319 000 | 1 659 500 | 1 659 500 |
| Tourist and Recrea- tion Area | 1 076 000 | 538 000 | 538 000 |
| | <hr/> | <hr/> | <hr/> |
| SUB-TOTAL | \$14 169 000 | \$7 084 500 | \$7 084 500 |
| Contingency Allowance | 2 161 000 | 1 080 500 | 1 080 500 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL | \$16 330 000 | \$8 165 000 | \$8 165 000 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the Federal and Provincial Ministers.

The Department of Public Works will participate in the supervision of this Agreement through its representatives on the Management Committee.

ONTARIO

SUBSIDIARY AGREEMENT

| | |
|-----------------------|---|
| SUBJECT | Northwestern Ontario |
| DURATION OF AGREEMENT | May 31, 1974 to March 31, 1978 |
| OBJECTIVES | <p>To increase the number and range of viable employment opportunities available in Northwestern Ontario; specifically, to strengthen strategic centres in the region, increase local processing of local resources, improve transportation and communication systems, make optimum use of existing public investments in the region by assisting in the rationalization of the urban structure and providing a stimulus to the economy of the Kenora area which will increase employment opportunities.</p> |
| BACKGROUND | <p>Social and economic development in Northern Ontario is impaired by the long distances separating the communities in the region from each other and from outside markets and sources of supply. Also, the range of economic activities in the north is comparatively narrow, consisting mainly of the exploitation and export of mineral and forest resources.</p> <p>The purchasing power in many of Northern Ontario's urban centres is often insufficient to attract supporting industries; also, these communities suffer from a serious lack of public services. While the region possesses a high potential for tourism, better and faster access from the more populous areas of the continent will be required if this potential is to be realized.</p> <p>The overall consequences of the foregoing conditions are a low rate of population growth, a below-average rate of labour force participation and a high rate of unemployment in localized areas.</p> <p>To accelerate economic growth in the region, it will be necessary to reinforce the intended role of Thunder Bay as the regional servicing, processing and distribution centre. Also, to sustain a number of existing</p> |

and planned forest and mineral development projects, selective road improvements and municipal infrastructure projects will require assistance.

In many areas of Northwestern Ontario, the harvesting of wild rice is becoming an important economic activity. Investigation will be undertaken to determine the possibility of applying scientific methods to the wild rice industry to increase and stabilize incomes.

Finally, with complementary improvements to road and air transport facilities, and development of tourist park facilities, increased tourism is expected to induce greater local commercial activity, an expanded service sector, and long-term employment for native people.

This sub-agreement was developed in consultation with several federal departments, more particularly with the Ministry of Transport and the Central Mortgage and Housing Corporation, as well as with various provincial ministries. It was signed by the Minister of Regional Economic Expansion, the Minister of Manpower and Immigration and the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs.

ELEMENTS

The specific projects provided for under this agreement are the :

- (a) construction of new and the extension of existing sewage lines in Thunder Bay to strengthen the city's intended development role by opening up new industrial and residential areas;
- (b) provision of infrastructure assistance for a new townsite associated with the development of iron ore deposits in the vicinity of Lake St. Joseph;
- (c) expansion of the sewage treatment plant in the community of Ignace to service new housing facilities necessary to accommodate a large number of the workers employed at the mining developments located in the vicinity of Sturgeon Lake;

- (d) construction of access roads to enable the more effective utilization of the forest and other natural resources in selected areas of Northwestern Ontario, and to enhance area tourist potential;
- (e) reconstruction of a major portion of Highway 599 to accommodate the weight of ore-carrying trucks in connection with the mining developments near Pickle Lake, and to assist in the realization of other industrial activities;
- (f) assessment through research, having regard to economic, social and environmental consideration, of the feasibility of establishing a complex to accommodate a number of heavy industries contemplating location in the Thunder Bay area;
- (g) identification, through research, of the potential for expanding wild rice harvesting operations in Northwestern Ontario;
- (h) extension of airport and reconstruction of road facilities to improve the access to the recreational potential of the Kenora area;
- (i) development and construction of tourist and recreation facilities in the Pistol Lake area to mitigate environmental damage, to provide employment opportunities, and to increase the number of tourists.

MAXIMUM
EXPENDITURES

The following is a list of projects to be carried out under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Community Infras- tructure Program | | | |
| (a) Thunder Bay Sewage System Improvements | \$23 218 000 | \$11 609 000 | \$11 609 000 |
| (b) New Townsite Lake St. Joseph | 3 000 000 | 1 500 000 | 1 500 000 |
| (c) Ignace Sewage Treatment Plant Expansion | 342 000 | 171 000 | 171 000 |
| Road Construction Program | | | |
| (a) Resource Access Roads | 4 235 000 | 2 117 500 | 2 117 500 |
| (b) Highway 599 | 6 000 000 | 3 000 000 | 3 000 000 |
| Study Program | | | |
| (a) Infrastructure Study | 150 000 | 75 000 | 75 000 |
| (b) Wild Rice Harves- ting | 50 000 | 25 000 | 25 000 |
| Kenora Area Infras- tructure | 4 174 000 | 2 087 000 | 2 087 000 |
| SUB-TOTAL | <u>\$41 169 000</u> | <u>\$20 584 500</u> | <u>\$20 584 500</u> |
| Contingency Allowance | 6 175 000 | 3 087 500 | 3 087 500 |
| TOTAL | <u>\$47 344 000</u> | <u>\$23 672 000</u> | <u>\$23 672 000</u> |

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a Management Committee composed of an equal number of senior officials designated by the Federal and Provincial Ministers.

The Department of Public Works will participate in the supervision of this agreement through their representative on the Management Committee.

ONTARIO

SUBSIDIARY AGREEMENT

SUBJECT Dryden Development Infrastructure

DURATION OF March 24, 1975 to March 31, 1977
AGREEMENT

OBJECTIVES To effect improvements in community services required to enable the town of Dryden to support new population growth brought about by current industrial development and perform more effectively its role as a focal point and service centre for economic development in the Patricia Region of Northwestern Ontario.

The Central Patricia development area (West of Thunder Bay District, North of the Rainy River District, to the 51st parallel and to the Lake of the Woods District) is an important region for two major resource industries, i.e. forest products and mining, which are presently undergoing substantial expansion. In the next few years, total investment in this area may exceed \$1.3 billion, resulting in as many as 4 000 new jobs.

With the significant new resource developments now underway, greater commercial and expanded service sector activities are anticipated in Dryden resulting in near term population increase projects to be approximately 3 000. The existing housing supply in Dryden is inadequate to meet present and future needs. High construction and servicing costs of serviced land have limited the supply of new housing and present a serious constraint to economic growth.

Large-scale capital projects must now be undertaken by the municipality in order to correct existing problems and provide the infrastructure and services required to accommodate a significantly increased population. Due to magnitudes of the projects needed and the relatively short time frames available for their completion, they are, to a large extent, beyond Dryden's financial capability.

The assistance provided by Canada and the Province will improve the fiscal flexibility of the municipality, enabling it to undertake other measures needed to meet the growing infrastructure requirements over the next few years.

This sub-agreement was developed in consultation with several federal departments, more particularly with the Central Mortgage and Housing Corporation, as well as with various provincial ministries. It was signed by the Minister of Regional Economic Expansion and the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs.

ELEMENTS

The subsidiary agreement provides for:

- (a) construction of a new water intake and treatment plant in Dryden which will enable the servicing of a population of a population of up to 11 000 inhabitants, as opposed to its 1971 population of 6 939;
- (b) construction of a sanitary sewer collector which will enable the immediate servicing of two new municipally-owned subdivisions needed for residential and commercial development, and further facilitate the planned servicing of an additional 300 acres.

| MAXIMUM EXPENDITURES | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|-------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Water System Improvements | \$2 630 368 | \$1 315 184 | \$1 315 184 |
| Sewage System Improvements | 153 106 | 76 553 | 76 553 |
| | <hr/> | <hr/> | <hr/> |
| SUB-TOTAL | \$2 783 474 | \$1 391 737 | \$1 391 737 |
| Contingency Allowance | 417 521 | 208 760 | 208 761 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL | \$3 200 995 | \$1 600 497 | \$1 600 498 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the Federal and Provincial Ministers.

The Department of Public Works will participate in the supervision of this Agreement through their representative on the Management Committee.

ONTARIO
SUBSIDIARY AGREEMENT

SUBJECT Interim Northlands

DURATION OF July 7, 1975 to August 31, 1977
AGREEMENT

OBJECTIVES Although the projects under this Agreement are of an interim nature, they represent a commitment in principle to a broad approach applying to all of Northern Ontario and consisting of mutually reinforcing social and economic elements at once supportive of economic activity and contributing directly to an improvement in the quality of life in the region.

Subject to above considerations, Canada and the Province have the intention of entering into a long-term Ontario Northlands sub-agreement to provide the area with a comprehensive and coordinated development strategy and to achieve the following objectives:

- (a) to increase net employment opportunities in the region.
- (b) to increase the quantity of economic activity sponsored locally.
- (c) to provide options and opportunities for residents to participate more fully in the development of the region's potential.
- (d) to improve the environment of the region so as to better the quality of life available to the local population.

BACKGROUND The Ontario Northlands as defined by this Agreement is not a "region" in the traditional sense, but is rather a geo-socioeconomic area which extends beyond the primate and strategic centres designated pursuant to the Ontario Government's Design for Development Program. It covers portions of several physiographic regions and is characterized by a community of human, social and economic factors that are unique to the

Northlands. Relative underdevelopment, lack of standard services (social and physical), remoteness, human enclaves in a vast hinterland and high costs provide some of the basic characteristics for a regional concept.

The area selected for assistance under this Subsidiary Agreement contains a substantial group of socially and economically disadvantaged people isolated from the mainstream of provincial, social and economic life by barriers such as geography, low levels of educational attainment and poverty. A significant portion of this population is of native ancestry and in the the past could depend on a natural environment for its livelihood, either by living off the land or by selling fish and furs.

Due to a general lack of knowledge on how to cope with modern health and living problems, many of these people live under appalling physical conditions. Their traditional life style is fast disappearing and too many of those affected do not have the opportunity, or are ill-prepared to participate in the economic development of Ontario's Northlands.

The interim agreement will enable the two governments to attack particular problems being faced by residents of Northern Ontario. These and other problems were identified in the Canada-Ontario General Development Agreement. The interim agreement is designed to complement the province's Design for Development Program for Northwestern Ontario.

This sub-agreement was developed in consultation with several federal departments, more particularly with the Departments of Manpower and Immigration and Indian and Northern Affairs, as well as with various provincial ministries. It was signed by the Minister of Regional Economic Expansion and the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs.

ELEMENTS

The specific projects provided for under this agreement are:

Life Skills: These courses will provide participants with the essential life skills and preparatory socio-economic information needed to allow them to cope with and benefit from existing manpower training programs.

Teaching the Homemaker - Services aimed at improving the skills of area residents in such fields as nutrition, hygiene, and family budgeting.

Recreation Area - Development of camping and canoeing facilities along a portion of the English River. The preparation and operation of these facilities will provide a supplementary source of income to local residents.

Identification of Manpower Adjustment Needs - A study to identify regional manpower surpluses and shortages, determine manpower skill availability, examine migration patterns and assess manpower skill requirements. The project is jointly funded by Ontario and the Federal Department of Manpower and Immigration.

Evaluation - An evaluation of projects carried out under this interim sub-agreement.

| MAXIMUM EXPENDITURES | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Life Skills | \$ 62 500 | \$ 31 250 | \$ 31 250 |
| Teaching Homemaker Skills | 21 000 | 10 500 | 10 500 |
| Recreation Area | 34 000 | 17 000 | 17 000 |
| Identification of Manpower Adjustment Study | 260 000 | 130 000 | 130 000* |
| Evaluation | 50 000 | 25 000 | 25 000 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL | \$ 427 500 | \$ 213 750 | \$ 213 750 |

*This study will be jointly funded by Manpower and Immigration and Ontario.

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a Management Committee consisting of equal numbers of representatives of each government, designated by the Federal and Provincial Ministers.

The Department of Manpower and Immigration and Indian and Northern Affairs will participate in the supervision of this agreement through their representatives on the Management Committee.

MANITOBA

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement with Manitoba was signed June 5, 1974 by the Minister of Regional Economic Expansion and the Minister of Mines, Resources and Environmental Management (Chairman of the Cabinet Sub-Committee on Economic and Resource Development of Manitoba).

Manitoba has a reasonably diversified economy based on a small but diverse manufacturing and processing sector, a strong agricultural sector and an expanding mineral extraction and processing industry in the North. Over the past two decades, population trends have been accentuated by strong rates of urbanization as well as out-migration. The agricultural sector has been characterized by fluctuating incomes, rapid capitalization and expansion of farming units and declining direct employment. Industrial activity in Manitoba consists of small but diversified manufacturing and processing sectors and a relatively large service sector. There are a few major industrial complexes in the province and industrial employment is generated from small and medium sized enterprises. In summary, there exists significant and unacceptable income disparities between various income groups; and the North has sharp contrasts to the South in terms of population levels and distribution, standards of living, sources of income, and job opportunities.

The objectives of this Agreement are:

- (a) to increase incomes and employment opportunities throughout Manitoba to increase opportunities for people to live in the area of their choice with improved standards of living; and
- (b) to encourage socioeconomic development in the northern portion of Manitoba to provide the people of the area with real options and opportunities to contribute and participate in economic development, to continue their own way of life with enhanced pride and purpose and to participate in the orderly utilization of natural resources.

Strategies to be employed to meet the objectives include:

- (a) identification of development opportunities and assistance in their realization through coordinated application of relevant federal and provincial policies and programs, including the provision of specialized measures required for such realization; and
- (b) analysis and review of the economic and social circumstances of Manitoba and Manitoba's relationship to the regional and national economy, as these may be relevant to achieving the objectives.

The main sectors identified in the GDA as warranting special attention are Manitoba Northlands socioeconomic development, agro-Manitoba development and commercial and industrial development.

To December 1, 1975, the following subsidiary agreements have been signed with Manitoba:

- Interim Northlands and Amendment;
- Planning.

Summaries of these subsidiary agreements follow.

MANITOBA

SUBSIDIARY AGREEMENT

| | |
|-----------------------|--|
| SUBJECT | Interim Northlands (as amended) |
| DURATION OF AGREEMENT | June 5, 1974 to March 31, 1976 or the date on which a long-term agreement is signed, whichever is earlier. |
| OBJECTIVES | <p>To formulate and negotiate a long-term development strategy and to undertake certain programs and projects which can be immediately identified as integral parts of any long-term development strategy designed to:</p> <ul style="list-style-type: none">(a) provide options and opportunities for the people of the region to participate in the development of Northern Manitoba;(b) provide the opportunity for people who wish to do so, to continue their way of life with enhanced pride and purpose; and(c) encourage the orderly utilization of natural resources of Northern Manitoba in harmony with resource conservation and for the benefit of the inhabitants, the Province and the region. |
| BACKGROUND | <p>Northern Manitoba is a region of sharp contrast to the southern part of the province, especially between the few urbanized industrial centres and the small isolated communities. While the few urban communities. While the few urban communities are of relatively recent origin, the small remote communities are of older origin from the era of the early fur trade and waterway transportation. Their traditional occupations have been prohibitive constraints on their participation in new economic development opportunities in the North. Northern Manitoba is at a critical stage in development related to mineral extraction and processing, hydropower generation, forestry, transportation, tourism and service industries which will have a substantial economic and social impact on the region. These developments require a broad range of social as well as economic progress ranging from the provision of community infrastructure and services that will maintain an expanded labour force to the provision of jobs to northern people.</p> |

The strategy for this subsidiary agreement was developed in conjunction with the Departments of Indian Affairs and Northern Development, Manpower and Immigration, Communications, Ministry of Transport and Central Mortgage and Housing Corporation and the Manitoba Government.

The Agreement was signed by the Minister of Regional Economic Expansion and the Minister of Transport, and the Manitoba Minister of Northern Affairs, and was amended on February 11, 1975 by the same Ministers.

ELEMENTS

The four major elements of the subsidiary agreement relate to:

- (a) Human Development and Community Services - programming in this sector is to facilitate assistance to families and communities in the provision of a social and physical environment conducive to improved quality of life and participation of people in community affairs and development opportunities.
- (b) Resources and Community Economic Development - this sector provides for the assessment, planning and utilization of resource-based and other opportunities for community economic development.
- (c) Transportation and Communication - the broad objectives of programs in this sector are to provide year-round access to all communities for the transportation of people, goods, and services, and to provide communications infrastructure to increase the participation of people in community, provincial and national affairs.
- (d) Planning and Implementation - to ensure the effective involvement of all agencies and government departments with responsibilities in Northern Manitoba requires the provision of a structure and system for planning, management and administration of this Agreement.

MAXIMUM
EXPENDITURES

The following is a list of projects the Province will arrange to carry out under this Agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Human Development and Community Services | \$20 386 000 | \$ 8 154 400 | \$12 231 600 |
| Resources and Community Economic Development | 3 999 650 | 1 599 860 | 2 399 790 |
| Transportation and Communication | 18 100 000 | 7 240 000 | 10 860 000* |
| Planning and Implementation | 1 328 200 | 531 280 | 796 920 |
| TOTAL | <u>\$43 813 850</u> | <u>\$17 525 540</u> | <u>\$26 288 310</u> |

*It is intended that the federal share of the elements of these costs related to highway and access roads will be jointly financed by DREE and MOT (50-50). The federal share of highway and access roads costs, under this Agreement, is \$9 million.

ADMINISTRATION
AND MANAGEMENT

The general coordination of this Agreement will be carried out by a Liaison Committee constituted by the Provincial Manager (the Provincial Deputy Minister of Northern Affairs or his designate) and the Federal Coordinator (the DREE Director General in Manitoba or his designate).

MANITOBA

SUBSIDIARY AGREEMENT

| | |
|-----------------------|--|
| SUBJECT | Planning |
| DURATION OF AGREEMENT | February 11, 1975 to March 31, 1977. A retroactivity clause allows costs incurred prior to February 11, 1975 but after June 5, 1974 (date of signing GDA) to be accepted provided such costs are approved by the Management Committee. |
| OBJECTIVES | To undertake studies for the identification and analysis of economic and socioeconomic development opportunities in Manitoba and such planning as is required to develop strategies, programs and subsidiary agreements pursuant to those opportunities. |
| BACKGROUND | <p>Detailed analysis and studies of Manitoba's economic and socioeconomic situation, as well as specific studies of sectors in which Manitoba has a significant advantage, are required to meet the increased tempo for action pacts contained in the GDA. Federal financial contributions are required to assist Manitoba in obtaining external professional resources in order to enable both governments to plan and implement, more effectively, the process of such action pacts.</p> <p>The Agreement was signed by the Minister of Regional Economic Expansion, and the Manitoba Minister of Mines, Resources and Environmental Management.</p> |
| ELEMENTS | <p>The main element of the Agreement is to make available federal and provincial funds to enable the acquisition of external staff and services required to undertake socioeconomic studies.</p> <p>The studies are being undertaken in the context of stated government social policies, and will also lead to identification of areas where there can be improved coordination of existing federal and provincial programs. Areas relating to the agricultural supply sector, agricultural products processing, and transportation will receive some priority.</p> |

Three such projects, to be completed by March 31, 1976, have been authorized. The three studies relate to:

- (a) Dairy Development and Processing;
- (b) Transportation Equipment; and
- (c) Forestry.

DREE will seek the cooperation of other government departments while the province's resource sub-committee of cabinet will work with other provincial departments.

MAXIMUM
EXPENDITURES

The province and the federal government will share costs on a 50-50 basis.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--------------------------|---------------------------------|-----------------------------|---------------------------------|
| 1974-1975 fiscal year | \$ 600 000 | \$ 300 000 | \$ 300 000 |
| 1975-1976 fiscal year | 1 000 000 | 500 000 | 500 000 |
| 1976-1977 fiscal year | 1 000 000 | 500 000 | 500 000 |
| TOTAL | <u>\$2 600 000</u> | <u>\$1 300 000</u> | <u>\$1 300 000</u> |

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a Management Committee composed of one senior official from each government, designated by the respective Federal and Provincial Ministers.

SASKATCHEWAN

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement with Saskatchewan was signed February 11, 1974 by the Minister of Regional Economic Expansion and the Minister of Industry and Commerce of Saskatchewan.

The economy of Saskatchewan has been characterized by relatively large swings in economic activity brought about because of the heavy reliance upon the primary producing sectors in the province. This has led to a number of undesirable outcomes and is the major reason behind the development program to be undertaken by the federal and provincial governments.

The increased capitalization of farms and the resulting decline in new agricultural job formation has undermined the employment base of the province. Few major secondary manufacturing developments have occurred. The effect has been a net outflow of population from the province over the last few years, an upward shift in the age distribution of the province's labour force, a significant rural-urban shift in population, and the demise of many small communities.

In addition to the need for far-reaching, general economic measures, there are special requirements for measures to alleviate the social, cultural and economic problems in the northern part of the province where development has not been able to provide the number or type of jobs required, nor a satisfactory level of earned income.

The objectives of this Agreement are:

- (a) to increase the aggregate economic growth of the provincial economy in order to increase employment opportunities, encourage balanced growth between rural and urban centres and help ensure a continuing, vibrant, dynamic society.
- (b) to preserve and enhance the value of the province's natural resources and optimize the value added from processing and manufacturing of these resources.
- (c) to diversify the province's economic base to reduce its dependency on primary production and thereby help stabilize the provincial economy.

- (d) to increase the number, range and type of employment opportunities within the province in order to utilize more effectively the human resources of Saskatchewan.
- (e) to increase the opportunity for people in northern Saskatchewan to participate more fully in the social, cultural and economic life of the province.

Strategies to be employed to meet the objectives include:

- (a) identification of development opportunities and assistance in their realization through coordinated application of relevant federal and provincial policies and programs, including the provision of specialized measures required for such realization; and
- (b) analysis and review of the economic and social circumstances of Saskatchewan and Saskatchewan's relationship to the regional and national economy, as these may be relevant to achieving the objectives.

The main sectors identified in the GDA as warranting special attention are: steel and metal-related industries, forestry, agriculture, tourism, northlands, rural and urban development.

To December 1, 1975, the following sub-agreements have been signed with Saskatchewan.

- Mineral Exploration and Development in Northern Saskatchewan
- Iron, Steel and Other Related Metal Industries
- Interim Northlands
- Planning
- Qu'Appelle Valley

Summaries of these sub-agreements follow.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

| | |
|-----------------------|---|
| SUBJECT | Mineral Exploration and Development in Northern Saskatchewan |
| DURATION OF AGREEMENT | June 21, 1974 to March 31, 1978 |
| OBJECTIVES | To accelerate Saskatchewan's economic development, create new job opportunities and increase investment opportunities by encouraging increased utilization of the province's mineral resources. |
| BACKGROUND | <p>In Northern Saskatchewan, the mineral industry is the most important economic activity. Other major commodity outputs relate to fishing, trapping and forestry but unemployment and underemployment are growing problems in Northern Saskatchewan. Mining activity has been concentrated in three areas within this region: Flin Flon - Hanson Lake, La Ronge, and Lake Athabasca, and the important minerals have been uranium, copper, gold, silver and zinc. New mines, however, will be needed to raise levels of output and employment and basic information relating to the extent of mineralization of the area is necessary.</p> <p>The sub-agreement resulted from the detailed analysis carried out by the Departments of Regional Economic Expansion and Energy, Mines and Resources with the close cooperation of Industry, Trade and Commerce.</p> <p>The sub-agreement was signed by the Minister of Justice for the Minister of Regional Economic Expansion and the Minister of Energy, Mines and Resources, and the Saskatchewan Minister of Mineral Resources, and the Minister of Industry and Commerce.</p> |
| ELEMENTS | The program to be undertaken in this agreement comprises the following elements: |

- (a) Regional Mineral Resource Planning - a continuous in-depth assessment and forecasting of factors in the minerals sector to identify problems and/or development opportunities for the benefit of the people and economy of the province.
- (b) La Ronge - Wollaston Base Metal Exploration - an assessment of known mineral occurrences along the La Ronge - Reindeer and Wollaston trends in Northern Saskatchewan.
- (c) Iron Ore Exploration - a search for a viable iron ore deposit in the Precambrian Shield of Saskatchewan, with a view to strengthening the steel industry in Saskatchewan.
- (d) Uranium Exploration - an assessment of the uranium potential of Northern Saskatchewan by carrying out airborne surveys followed by ground surveys and diamond drilling, if warranted.
- (e) Industrial Minerals Exploration - an assessment of industrial minerals potential (coal, kaolin, silica sand, etc.) of the sediments at the southern edge of the Precambrian Shield in Saskatchewan. The potential of sediments for lead, zinc, manganese, uranium, tar sands and heavy oil will also be evaluated.
- (f) Reconnaissance Geoscience Surveys - an alternative to conventional geological mapping designed to rapidly assess mineral potentials. To date, the Provincial Geological Survey has mapped in some detail, about 19 000 square miles of the shield area out of a total area of about 95 000 square miles. Priority will be given to the area south of 58°N where an additional 20 000 square miles will be surveyed over the next four years.

MAXIMUM
EXPENDITURES

The following is a list of projects the province will arrange to carry out under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL* SHARE</u> |
|---|---------------------------------|-----------------------------|---------------------------|
| Regional Mineral Resource Planning | \$ 350 000 | \$ 175 000 | \$ 175 000 |
| La Ronge - Wollaston Base Metal Explora- tion | 300 000 | 150 000 | 150 000 |
| Iron Ore Exploration | 500 000 | 250 000 | 250 000 |
| Uranium Explora- tion | 500 000 | 250 000 | 250 000 |
| Industrial Minerals Exploration | 500 000 | 250 000 | 250 000 |
| Reconnaissance Geoscience Surveys | 2 200 000 | 1 100 000 | 1 100 000 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL | \$4 350 000 | \$2 175 000 | \$2 175 000 |

*Federal assistance will be shared equally by the Department of Regional Economic Expansion and Energy, Mines and Resources.

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a Management Committee made up of a representative from the Department of Energy, Mines and Resources as Co-chairman, a representative of the Department of Regional Economic Expansion and two representatives of the province, one of whom shall act as Co-chairman.

SASKATCHEWAN
SUBSIDIARY AGREEMENT

SUBJECT Iron, Steel and Other Related Metal Industries

DURATION OF AGREEMENT July 4, 1974 to March 31, 1979

OBJECTIVES To enhance the viability of the existing iron and steel industry and to expand and diversify iron and steel production in Saskatchewan which in turn will provide a substantial increase in the number and range of employment opportunities in iron, steel and other related metal industries.

BACKGROUND Based on projected trends and likely economic development possibilities, Saskatchewan would continue to fall further behind the growth that could be forecast in the other three western provinces. One possibility of overcoming this lack of growth is steel. Indications are that for the next decade or so, steel demand will exceed foreseeable steel supply internationally, nationally, and regionally. Statistics indicate that in the seventies and eighties there would be a large market throughout the West for a variety of steel-based products. An examination of this future demand for steel in the west and the present production base, indicates that it is practical to increase steel capacity in the west to meet expanding market demands.

The strategy for this sub-agreement is the result of a detailed analysis which was carried out in close cooperation, and the active participation, of the Departments of Industry, Trade and Commerce; Energy, Mines and Resources, Manpower and Immigration; Finance; Treasury Board; Environment; the Privy Council Office, and various departments within the Provincial Government.

The sub-agreement was signed by the Minister of Regional Economic Expansion, the Minister of Energy, Mines and Resources and the Minister of Industry, Trade and Commerce and the Saskatchewan Minister of Industry and Commerce.

ELEMENTS

The five major elements of the sub-agreement relate to:

- (a) Iron Ore Exploration - to augment the geo-physical and geological information on Saskatchewan iron ore deposits, it is proposed to undertake exploration in East Central Saskatchewan to determine if an economic iron ore body exists.
- (b) Related Studies and Administration Costs - this element of the program will identify and undertake studies related to primary and secondary iron and steel production facilities and related metal industries and cover the costs of the Steel Implementation Committee.
- (c) Direct Ore Reduction Plant and Development and Expansion of Steel Facilities - this element relates to the promotion and establishment of a direct ore reduction plant which will produce metallized ore to be used as an addition to scrap charge for electric steel-making furnaces. It also relates to steel-making facilities required to expand the steel industry in Saskatchewan.
- (d) Foundries and Related Metal Industries - this element relates to those projects and products which will be identified from studies for development opportunities in foundries and related metal industries.
- (e) Infrastructure - an infrastructure program is proposed to provide assistance for the establishment of additional steel facilities as well as related urban infrastructure.

MAXIMUM EXPENDITURES

The following is a list of projects the province will arrange to carry out under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Iron Ore Exploraton | \$ 1 100 000 | \$ 440 000 | \$ 660 000 |
| Related Studies and Administration Costs | 1 500 000 | 600 000 | 900 000 |
| Direct Ore Reduction Plant and Development and Expansion of Steel Facilities | 150 000 000 | 4 480 000 | 25 255 000 |
| Foundries and Related Metal Industries | 25 000 000 | - | 7 465 000 |
| Infrastructure | 5 200 000 | 4 480 000 | 720 000 |
| TOTAL | <u>\$182 800 000</u> | <u>\$10 000 000</u> | <u>\$35 000 000</u> |

The remaining \$137 800 000 is to be supplied from the private sector. A maximum of \$25 million in loan guarantees is available from the federal government with \$50 million in loan guarantees available from the provincial government.

ADMINISTRATON AND MANAGEMENT

The overall management and coordination of this agreement will be the responsibility of a Steel Development Group consisting of four senior federal officials and four senior provincial officials and the Assistant Deputy Minister, Western Region, DREE as an ex-officio member. Management of day to day activities shall be vested in a Steel Implementation Committee consisting of one representative of the federal Department of Regional Economic Expansion and one representative of the provincial Department of Industry and Commerce.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

| | |
|-----------------------|---|
| SUBJECT | Interim Northlands |
| DURATION OF AGREEMENT | August 18, 1975 to March 31, 1977 (retroactive to April 1, 1974) |
| OBJECTIVES | To provide options and opportunities for the people of the area to participate in social and economic development; to encourage the development of the natural resources of the area in harmony with resource conservation; and for those residents who wish to do so, an opportunity to continue their own way of life with enhanced pride and purpose. |
| BACKGROUND | <p>Northern Saskatchewan is an area of sharp contrast to the southern part of the province in terms of population levels and distribution, standards of living, sources of income and income levels, and public participation in the social and economic life of the province. Beyond the agricultural fringe, the basic industries of the area are forestry and mining and the benefits of these industries are concentrated in a few urbanized centres. Throughout the rest of the area the people, who are almost entirely of Native ancestry, live in small remote communities. Their traditional occupations of fishing, hunting and trapping provide limited and unreliable incomes; and cultural differences, limited education and geographic isolation have been constraints on their participation in new economic development opportunities in the north.</p> <p>Over the years, this northern area has fallen behind the rest of the province in the provision of services and social amenities and serious disparities exist in levels of housing, health care, employment opportunities, and in education and cultural opportunities available to northern residents as compared to people in the rest of Saskatchewan.</p> |

Within the southern forest and agricultural fringe portion of the area, a stronger and more diversified economic base and organized local governments have enabled communities to provide and support basic services and facilities. But even here, a large proportion of the residents do not have full access to the level of opportunities existing elsewhere in the province.

Since they are closely linked to each other in both economic and social terms, northern development must be viewed with regard to both the remote northern area and the agricultural forest fringe. A broad range of programs are required to improve living conditions, provide work experience and skill training opportunities, improve transportation and communication facilities and services, and assist the establishment of commercial ventures. Resource conservation and improvement programs are required to protect the resources of the area and enhance their utilization.

The strategy for this sub-agreement was developed in conjunction with the Departments of Indian Affairs and Northern Development, Manpower and Immigration, Communications, Ministry of Transport and Central Mortgage and Housing Corporation and the Saskatchewan Government.

The agreement was signed by the Minister of Regional Economic Expansion and the Minister of Transport and the Saskatchewan Minister of Northern Saskatchewan and the Minister of Industry and Commerce.

ELEMENTS

The major elements of the sub-agreement relate to:

- (a) Human Development and Community Services - to assist individuals and communities to improve their social and physical environment in a manner conducive to improved quality of life and participation of people in community affairs and development opportunities.
- (b) Resources and Community Economic Development - to assist in the assessment, planning, and development of resource-based and other opportunities for economic development in a manner which emphasizes and encourages value-added benefits in the area.

- (c) Transportation and Communications - to assist in providing year-round access to communities for the transportation of people, goods, and services, and to assist in the planning and development, and construction of pilot communications facilities to increase the participation of people in community, provincial, and national affairs.
- (d) Implementation - to assist in and encourage the development of federal and provincial capabilities to coordinate, manage, and implement this agreement and a long-term development program for the Saskatchewan Northlands.

| MAXIMUM EXPENDITURES | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|--|---------------------------------|-----------------------------|--------------------------|
| Human Development and Community Services | \$20 700 000 | \$ 6 280 000 | \$14 420 000 |
| Resources and Community Economic Development | 2 700 000 | 1 080 000 | 1 620 000 |
| Transportation and Communications | 30 000 000 | 12 000 000 | 18 000 000* |
| Implementation | 1 600 000 | 640 000 | 960 000 |
| TOTAL | <u>\$55 000 000</u> | <u>\$20 000 000</u> | <u>\$35 000 000</u> |

*It is intended that the federal share of the elements will be jointly financed by Department of Regional Economic Expansion and Ministry of Transport. The Ministry of Transport will provide up to \$7 500 000 of the federal share for costs related to highways and community access roads.

ADMINISTRATION AND MANAGEMENT The general coordination of this agreement will be carried out by a management group consisting of two representatives of Canada named by the Principal Federal Minister, and two representatives of Saskatchewan, named by the Principal Provincial Minister with one representative being the DREE Director General in Saskatchewan (Federal Co-Chairman) and another, the Deputy Minister of the Department of Northern Saskatchewan (Provincial Co-Chairman).

SASKATCHEWAN

SUBSIDIARY AGREEMENT

| | |
|-----------------------|--|
| SUBJECT | Planning |
| DURATION OF AGREEMENT | August 18, 1975 to March 31, 1977 (retroactive to April 1, 1974) |
| OBJECTIVES | To undertake studies for the identification and analysis of economic and socioeconomic development opportunities in Saskatchewan and such planning as is required to develop strategies, programs and subsidiary agreements pursuant to those opportunities. |
| BACKGROUND | <p>Detailed analysis and studies of Saskatchewan's economic and socioeconomic situation, as well as specific studies of sectors in which Saskatchewan has a significant advantage, are required to meet the increased tempo for action pacts contained in the GDA. Federal financial contributions are required to assist Saskatchewan in obtaining external professional resources in order to enable both governments to plan and implement, more effectively, the process of such action pacts.</p> <p>The agreement was signed by the Minister of Regional Economic Expansion, and the Saskatchewan Minister of Industry and Commerce.</p> |
| ELEMENTS | <p>The main element of the agreement is to make available federal and provincial funds to enable the acquisition of external staff and services required to undertake socioeconomic studies.</p> <p>The studies are being undertaken in the context of stated government social policies, and will also lead to identification of areas where there can be improved coordination of existing federal and provincial programs.</p> <p>DREE will seek the cooperation of other government departments while the province's committee of Industry and Commerce will work with other provincial departments.</p> |

MAXIMUM
EXPENDITURES

The province and the federal government will share costs on a 50-50 basis.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--------------------------|---------------------------------|-----------------------------|---------------------------------|
| 1974/1975 Fiscal Year | \$ 600 000 | \$ 300 000 | \$ 300 000 |
| 1975/1976 Fiscal Year | 1 000 000 | 500 000 | 500 000 |
| 1976/1977 Fiscal Year | 1 000 000 | 500 000 | 500 000 |
| TOTAL | <u>\$2 600 000</u> | <u>\$1 300 000</u> | <u>\$1 300 000</u> |

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a Management Committee composed of one senior official from each government, designated by the respective Federal and Provincial Ministers.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

SUBJECT Qu'Appelle Valley

DURATION OF October 6, 1975 to March 31, 1984
AGREEMENT (retroactive to April 1, 1974)

OBJECTIVES To ensure the long-term productivity of the Qu'Appelle Valley's recreation and tourism resource base; to increase the benefits from utilization of this resource base; and to improve the management of the land and water resources of the Qu'Appelle Valley to meet existing and future uses of these resources.

BACKGROUND The Qu'Appelle Valley is a major attraction for Saskatchewan residents and potentially for Trans-Canada traffic. The water quality in the lakes must be improved and recreation developments planned in order to establish a major tourist industry. The lack of well established and upgraded cultural and historic sites along the routes and at major destinations deters through-traffic from staying for a longer period of time in the province.

Recreational and tourist development of the valley has been piecemeal and uncoordinated. The result is an imbalance between attractions, facilities and services, great seasonality of use; alternatively overloading and underutilizing of accommodation, and deterioration of the resource.

A perennial hindrance to development in the Valley, and a continuing problem in other parts of the Basin, is the spring flooding which follows winters of exceptional snowfall (such as the 1973-74 winter). This flooding damages homes, cottages and facilities in Moose Jaw, Regina, Lumsden and on down the Valley, and causes significant financial and other hardships to farmers in the Valley.

A further problem is the quality of water in the Qu'Appelle River and Lakes. The effluent from the sewage facilities for Regina and Moose Jaw discharges through tributaries into the Qu'Appelle River, which increases the nutrient content of the water.

Under the Qu'Appelle Basin Study Agreement of August, 1970, the Qu'Appelle Basin Study Board, comprised of representatives of the Governments of Canada, Saskatchewan and Manitoba, prepared a Framework Plan designed to guide the management of the water and related land resources of the Basin. To give effect to the Framework Plan, the Board made recommendations with respect to water quality, water supply, land and water use and adjustment of the flood hazard.

With this Agreement, Canada and Saskatchewan have developed an integrated package of programs to be implemented over a ten-year period to solve the urgent environmental problems, establish effective management practices and develop the recreation and tourism potential of the Qu'Appelle Valley.

ELEMENTS

The program to be undertaken in this Agreement comprises the following sectors:

- (1) Environmental Improvement and Management Sectors - to improve the quality of the environment of the Qu'Appelle Valley, particularly its water resources, and to establish effective environmental management to preserve the natural resources through programs related to: management of land and water resources; municipal waste treatment; and flood-prone land purchase.
- (2) Tourism and Recreation Development Sector - to pursue activities to ensure that basic services are in place, resources (attractions) are developed and preserved, and that private sector investment occurs through programs related to planning; historic/recreational corridors; tourism facilities; commercial development financial assistance; alternate land use; and community development assistance.
- (3) Implementation Sector - to ensure the coordinated implementation of activities under this Agreement, a Qu'Appelle Valley Implementation Agency will be established under a Director of Implementation.

MAXIMUM
EXPENDITURES

The following is a list of the costs associated with the above sectors:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|--|---------------------------------|-----------------------------|--------------------------|
| Environmental Improvement and Management | \$30 600 000 | \$10 890 000 | \$11 310 000* |
| Tourism and Recreation Development | 11 000 000** | 3 350 000 | 5 650 000 |
| Implementation | 2 000 000 | 1 000 000 | 1 000 000 |
| TOTAL | <u>\$43 600 000</u> | <u>\$15 240 000</u> | <u>\$17 960 000</u> |

* \$8.4 million cost of one program is eligible for loan financing.

** includes \$2 million loan financing by SEDCO.

ADMINISTRATION
AND MANAGEMENT

The Agreement will be managed by a federal-provincial Qu'Appelle Valley Management Board comprising representatives from the federal departments of Regional Economic Expansion; Environment Canada, Industry, Trade and Commerce; Indian Affairs and Northern Development, and the provincial departments of Environment; Tourism and Renewable Resources; the Executive Council plus one other to be named by the provincial co-chairman. The Director General, Saskatchewan, of the Federal Department of Regional Economic Expansion or his designate shall be the federal co-chairman and the Deputy Minister of the Saskatchewan Department of the Environment or his designate shall be the provincial co-chairman. The Agreement also provides for the establishment of a Public Advisory Council which will provide advice to the Management Board in matters of public concern.

ALBERTA

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement with Alberta was signed March 6, 1974, by the Minister of Regional Economic Expansion and the Minister of Federal and Intergovernmental Affairs of Alberta.

The Alberta economy, while relatively strong in terms of general economic indicators, is characterized by a number of factors which have tended to concentrate development, both sectorally and geographically within the province. Communities exist, however, which are unable to provide the productive employment opportunities or levels of social amenities necessary to permit all citizens to participate in and benefit from the development of the province. Many of these communities, although possessing the human and natural resource potential necessary for a viable community, are faced with the prospect of stagnation or decline unless means are devised to improve opportunities for productive employment and make available a social environment conducive to maintaining economic stability.

The objectives of this Agreement are:

- (a) to improve opportunities for productive employment and access to those opportunities in areas or economic sectors of Alberta which, relative to other areas or sectors in Alberta, require special measures to realize development potential.
- (b) to promote balanced development among areas of Alberta and to encourage the equitable distribution of the benefits of such development; and
- (c) to reinforce the priorities of the province in respect of initiatives for its socioeconomic development.

Strategies to be employed to meet the objectives include:

- (a) identification of development opportunities and assistance in their realization through coordinated application of relevant federal and provincial policies and programs, including the provision of specialized measures required for such realization; and

- (b) analysis and review of the economic and social circumstances of Alberta and Alberta's relationship to the regional and national economy, as these may be relevant to achieving the objectives.

The main sectors identified in the GDA as warranting special attention are: economic development including resource-based industries where special measures are required to encourage their full utilization; encouragement of community development in the non-major urban service centres and rural communities; socioeconomic development including the provision of capital facilities such as housing, sewage and water systems, roads and other infrastructure required to take optimum advantage of economic development opportunities.

To December 1, 1975, the following sub-agreements have been signed with Alberta:

- Interim North
- Nutritive Processing Assistance

Summaries of these sub-agreements follow.

ALBERTA

SUBSIDIARY AGREEMENT

SUBJECT Nutritive Processing Assistance

DURATION OF March 11, 1975 to March 31, 1980
AGREEMENT (retroactive to July 1, 1974)

OBJECTIVES The objectives of the Agreement are to:

- (a) strengthen the economic viability of the small rural community; and
- (b) further process in Alberta those nutritive products which have, or may achieve, a competitive position in national or export markets; and thereby to increase the quality of life options of rural residents, to increase the net income available to rural families and to slow the movement of population from the rural community to the major metropolitan centres.

BACKGROUND The Alberta economy, while relatively strong in terms of general economic indicators, is characterized by a tendency to concentrate development both sectorally and geographically within the Province. The Province desires to produce balanced economic development, both in terms of higher rural/urban balance of job opportunities, and of diversification of the primary resource sectors.

Economic and socioeconomic standards in the major urban centres are generally high. There exists, however, many small rural communities which are unable to provide the productive employment opportunities or levels of social amenities necessary to permit their citizens to participate in and benefit from the development of Alberta. Many of these communities, although possessing the human and natural resource potential necessary for a viable community, are faced with the prospect of stagnation or decline unless means are devised to improve opportunities for productive employment and provide a better social environment.

Basically the province wishes to geographically diversify industrial growth outside the major urban centres. In addition, it wishes this geographical dispersion to incorporate a diversification of the economic base in order to avoid possible future adverse consequences which may result from a heavy reliance on the oil and gas industry.

Achievement of the above objectives could lead to a greater range of social and economic opportunities for a large number of rural Albertans. Social options in the form of varied career opportunities in the new processing industries and growth of the related service industry could be a direct result. Indirectly, the quantity and quality of social amenities should increase as a by-product of community growth and increased incomes. In addition to the increases in personal and family incomes, other economic benefits could be increased employment and a greater provincial share of value-added being generated from primary products which now leave the province.

The dispersion of processing plants may result in increased transportation, distribution, and infrastructure costs. Such costs will be incurred because new processing plants locating away from the large metropolitan centres will demand improvements in these services in order to function efficiently.

The constraints in accomplishing these objectives are both internal and external. Internal constraints are mainly those faced by locating new processing capacity in small centres. They include higher borrowing rates, credit limitations and the costs of reduced economies of scale. In addition, there are economic and institutional factors which individually may appear insignificant, but when combined, can present constraints to development in rural areas. A few of the more common factors which could fall into this category are provision of utilities, insurance, fire protection and other specialized services.

The constraints previously discussed are basically economic in nature. There are other constraints which should be identified to complete the analysis. For example, many times the managers of small processing plants lack the entrepreneurial skills necessary to take advantage of new opportunities, and they may find the financial burden of purchasing such skills prohibitive. In addition, the array of skills necessary to operate a new processing plant may be lacking in the local area.

This agreement on nutritive processing is intended to assist in accomplishing the provincial rural development objectives.

The strategy of this sub-agreement is the result of a detailed analysis which was carried out in close cooperation with and the active participation of the Departments of Industry, Trade and Commerce; Agriculture; Finance; and Treasury Board and the Alberta Government.

The Agreement was signed by the Minister of Regional Economic Expansion and the Alberta Minister of Federal and Inter-governmental Affairs.

ELEMENTS

The elements of this program relate to:

- (a) a Development Assistance Program which shall take the form of a financial incentive to nutritive processing facilities;
- (b) a Public Information and Technical Service Program which will provide financial support for those information and technical consulting activities that are required to facilitate implementation of the Agreement as well as a program of public information which will inform the public of this Agreement's provisions, and ensure proper recognition of the contribution of both parties to this Agreement.

MAXIMUM EXPENDITURES

The following is a description of the cost estimates provided for in the Agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Development Assistance Program | \$16 600 000 | \$8 300 000 | \$8 300 000 |
| Public Information and Technical Service | 400 000 | 200 000 | 200 000 |
| TOTAL | <u>\$17 000 000</u> | <u>\$8 500 000</u> | <u>\$8 500 000</u> |

ADMINISTRATION AND MANAGEMENT

Supervision will be carried out by a Joint Committee consisting of one representative of each government as designated by the Federal-Provincial General Development Committee.

ALBERTA

SUBSIDIARY AGREEMENT

SUBJECT Interim North

DURATION OF AGREEMENT March 11, 1975 to March 31, 1976
(retroactive to April 1, 1974)

OBJECTIVES The objectives of a Development Agreement for Northern Alberta are:

- (a) to provide options and opportunities for the people of Northern Alberta to contribute to and participate in the development of the region;
- (b) to initiate those social and cultural amenities, community infrastructure improvements and services required to enable the people of Northern Alberta to actively participate in northern development; and
- (c) to encourage the orderly development of Northern Alberta for the benefit of the inhabitants and the Province.

BACKGROUND Northern Alberta is a region which presents a sharp contrast to the southern part of the province in terms of population density and distribution; standard of living; sources and levels of income; and the role played by various segments of the population in the social and economic life of the province. One important aspect of Alberta's economic and social structure is the degree to which people in the north do not enjoy the same opportunities for productive employment, or access to a variety of other opportunities that are available in other areas.

Two concurrent forces are bringing these differences to the attention of the people of the north. The first is the increased comparison being made between northern communities themselves and with centres in the south. The second is the advent of large economic development projects currently being undertaken or which are proposed for the region.

Northern Alberta is at a critical stage in its development both in terms of planning the future utilization of its vast resources and in the need to devise innovative processes by which people indigenous to the region can meaningfully participate in its development. Current and projected major developments in oil extraction and processing, agriculture, mining, forestry, transportation, tourism, and the service industries will have a substantial economic and social impact on the region.

Rapid growth in the north does not by itself ensure that the quality of life of the people of the north will be improved. Indeed, without a special effort, it is entirely possible that major petroleum, timber, and other developments in the region could pass them by. Though these developments will provide economic opportunities, these opportunities will in many cases require technical and social skills that are not presently developed in the local population.

A number of regular training opportunities directed at upgrading the technical and trade skills of the participants have been offered in the region. Experience indicates that such training and development experiences must go beyond the transmission of technical and trade skills, to provide the students with a better understanding of how their physical and socio-cultural environment will be affected by future developments in the region.

Many people in the region live under comparatively harsh physical conditions. Inadequate accommodation, lack of a potable water supply, and unacceptable waste disposal systems contribute to poor mental and physical health. The lack of physical access and effective communication facilities lead to inadequate knowledge, and make it almost impossible for people to participate in and to cope with a rapidly changing environment.

The problems inherent in the foregoing are social and cultural as well as economic. A comprehensive remedial strategy is required to combat these problems. The necessary approach calls not only for the identification and pursuit of ameliorative measures concerned with income, jobs, housing, education, health, and recreation, but also with attitude change, expansion of related social skills, and human adjustment.

ELEMENTS

The major elements of the sub-agreement relate to:

- (a) Life Improvement and Community Services to provide the social, cultural and physical environment required to assist individuals, families, and communities to better comprehend and participate in development opportunities and community affairs;
- (b) Community Economic Development to research, plan, and stimulate economic development opportunities for community groups and individuals in Northern Alberta, ranging from the servicing of major developments to the identification and development of community or resource-based development opportunities; and
- (c) Planning and Management to provide the research, planning, and program design required to implement this Agreement, and to plan for a longer-term subsidiary agreement. This sector also provides for program management and evaluation.

MAXIMUM
EXPENDITURES

The following is a description of the cost estimates provided for in the Agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Life Improvement and Community Services | \$3 029 000 | \$1 514 500 | \$1 514 500 |
| Community Economic Development | 1 500 000 | 750 000 | 750 000 |
| Planning and Management | 230 000 | 115 000 | 115 000 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL | \$4 759 000 | \$2 379 500 | \$2 379 500 |

ADMINISTRATION
AND MANAGEMENT

The general coordination of this Agreement will be carried out by a Joint Committee consisting of the Director General, Alberta, for the Department of Regional Economic Expansion and the Executive Director, Northern Development Group for the Province.

BRITISH COLUMBIA

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement with British Columbia was signed March 28, 1974 by the Minister of Regional Economic Expansion for Canada and the Minister of Economic Development for British Columbia.

The economy of British Columbia is one in which the resource and resource processing industries have been the primary generators of growth. This growth has been supported by parallel activity in the construction, transportation and communications sectors. This in turn has led to substantial tertiary development.

British Columbia's economy has undergone erratic swings in the level and type of employment and in the amount and duration of new investment activity. In each area of the province there have been marked accelerations at various times in the past decades. This has produced, particularly in the non-metropolitan areas, intense activity as new developments have been introduced and resultant lags after development has peaked. In areas experiencing such development pressures, social development has tended not to keep pace.

Many of the known resources of the province are committed and are exported in partially processed form. There are still uncommitted resources in the northern half of the province which, with the provision of access and supportive infrastructure, may be developed. In the south the threshold of physical limitations is in many areas being reached.

The Lower Mainland has been the recipient of the major population pressures with detrimental environmental effects in that area and a considerably greater share of economic growth compared to certain other areas of the province. Prospects for continued general strength of the province's economy, together with established linkages to the Lower Mainland, indicate that the total level of economic growth will be substantial in the coming decade, and that, in absence of government initiatives, a large portion of this growth would tend to concentrate in this area.

The objectives of this Agreement are:

- (a) to improve opportunities for productive employment and access to those opportunities in areas or economic sectors of British Columbia which, relative to other areas or sectors of the province, require special measures to realize development potential.

- (b) to promote balanced development among areas of British Columbia and to encourage the equitable distribution of the benefits of such development.

The strategy to attain these objectives includes directed sectorial and spatial diversification with encouragement, by federal and provincial actions, of specific key industries capable of providing essential catalysts to development in selected area or sector opportunities of the province. Such encouragement is to be coordinated with and supported by investments in human resource development and social and economic overhead capital investments.

The main sectors identified in the GDA as warranting special attention are: application of coordinated action to significant development opportunities that will activate under-utilized or uncommitted resources, initially in the northwest, the Kootenays and the northeast. Development opportunities will be pursued that increase and progressively maximize higher value-added processing and manufacturing of the resource base. This will be aided by major transportation services that will assist in increasing viability and access, including those in relation to the Pacific market areas. In addition, major opportunities exist in the development of the recreation sector of the province, especially in conjunction with economic development and environmental improvement.

To December 1, 1975, the following sub-agreement has been signed with British Columbia.

- Fort Nelson

A summary of this sub-agreement follows.

BRITISH COLUMBIA

SUBSIDIARY AGREEMENT

| | |
|-----------------------|---|
| SUBJECT | Fort Nelson |
| DURATION OF AGREEMENT | September 23, 1975 to March 31, 1978 (retroactive to September 23, 1974) |
| OBJECTIVE | To provide assistance which will help alleviate the serious economic and social problems now being experienced by the community of Fort Nelson because of the inadequacies of the infrastructure available in that community. |
| BACKGROUND | <p>Fort Nelson is experiencing serious problems in the provision of adequate water and sewer services. These services were originally constructed in 1961 to service a very small primary resource based community. Rapid industrial expansion and increased population in recent years has put these systems in a situation of serious deficiency.</p> <p>These inadequacies threaten the continuation of community and industrial development as well as seriously impeding the potential future expansion in the forestry, transportation and recreation sectors in the next decade.</p> <p>With this Agreement, Canada and British Columbia have developed a program to upgrade and expand the water and sewer systems in the community to provide an adequate level of services to the present residents and for a larger population, expected to be attracted to this area.</p> |
| ELEMENTS | <p>The project descriptions of the infrastructure program to be undertaken in this Agreement are as follows:</p> <ol style="list-style-type: none">(1) Water System Improvements - this project will include the construction of a new intake system, booster station and transmission line to the new water reservoir, a filtration plant, clarifier, clear-water storage reservoir and transmission main and the upgrading of the distribution system. |

(2) Sewage System Improvements - this project will include the construction of a new sewage lagoon and a sewage interceptor program.

MAXIMUM
EXPENDITURES

The following is a list of the costs associated with the above projects:

| | <u>ESTIMATED TOTAL COST</u> | <u>MUNICIPAL SHARE</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|----------------------------|---------------------------------|----------------------------|-----------------------------|--------------------------|
| Water System Improvements | \$4 400 000 | \$ 600 000 | \$1 900 000 | \$1 900 000 |
| Sewage System Improvements | 2 600 000 | 400 000 | 1 100 000 | 1 100 000* |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL | \$7 000 000 | \$1 000 000 | \$3 000 000 | \$3 000 000 |

*This is an estimate of the eligible loan forgiveness and high cost assistance grant that may be approved under Part VIII of the National Housing Act through Central Mortgage and Housing Corporation. The referred-to sewer project is also eligible for a Part VIII loan under the National Housing Act in an estimated amount of \$1 436 000.

ADMINISTRATION
AND MANAGEMENT

The Agreement will be managed by a joint federal-provincial Implementation Committee. The Committee shall consist of one representative from each of the British Columbia Department of Economic Development, the British Columbia Department of Municipal Affairs, the Canada Department of Regional Economic Expansion and the Canada Central Mortgage and Housing Corporation.

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Publications

SUMMARIES OF
FEDERAL - PROVINCIAL
GENERAL DEVELOPMENT AGREEMENTS
AND
CURRENTLY ACTIVE
SUBSIDIARY AGREEMENTS



Government
of Canada

Gouvernement
du Canada

Regional
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Expansion

Expansion
Économique
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DECEMBER 1977

SUMMARIES OF
FEDERAL-PROVINCIAL
GENERAL DEVELOPMENT AGREEMENTS
AND
CURRENTLY ACTIVE
SUBSIDIARY AGREEMENTS

DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

December 1977



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Introduction

This is the third in a series of similar publications intended to provide the substance of the federal-provincial General Development Agreements and their subsidiary agreements, signed since early 1974. A brief description of the nature and purpose of these agreements can be found on page 7. The publication includes summaries of each General Development Agreement and each sub-agreement which was in effect as of December 31, 1977. A list of sub-agreements which expired prior to that date can be found on page 231. Summaries of the latter were included in earlier versions of this publication, issued in December 1975 and in March 1977.

SUPPLEMENTARY INFORMATION

The following is a list of subsidiary agreements and amendments signed between January 1 and July 1, 1978, with the amount of funding shown where applicable. Amendments marked (T) are technical in nature and do not involve additional funding. For further information, please contact Suzanne Major, Media Relations Officer, DREE Public Information Branch, 200 Principale St., Hull, Canada K1A 0M4, Telephone (819) 997-2954.

| | <u>SIGNED</u> | <u>TERMINATES</u> | <u>TOTAL FUNDING</u> | <u>FEDERAL</u> | <u>PROVINCIAL</u> |
|-------------------------|---------------|-------------------|----------------------|----------------|-------------------|
| <u>NEWFOUNDLAND</u> | | | | | |
| - Tourism Development | 22/02/78 | 31/03/83 | \$13 264 600 | \$11 938 140 | \$1 326 460 |
| - Forestry | | 31/03/79 | | | |
| Amendment 4 (T) | 31/03/78 | | | | |
| - Gros Morne Park | | | | | |
| Area Development | | 31/03/80 | | | |
| Amendment 4 (T) | 31/05/78 | | | | |
| - Fisheries Marine | | | | | |
| Service Centre | | 31/03/78 | | | |
| Amendment 4 (T) | 23/03/78 | | | | |
| - Special Fish Plant | | | | | |
| Water System | | 31/03/78 | | | |
| Amendment 3 (T) | 23/03/78 | | | | |
| - Highways 1976-78 | | 31/03/79 | | | |
| Amendment 4 (T) | 18/02/78 | | | | |
| - Inshore Fisheries | | | | | |
| Development | | 31/03/81 | | | |
| Amendment 4 (T) | 09/05/78 | | | | |
| - Labrador Interim | | 31/03/80 | | | |
| Amendment 1 | 22/02/78 | | 7 810 000 | 7 029 000 | 781 000 |
| Amendment 2 (T) | 12/05/78 | | | | |
| <u>NOVA SCOTIA</u> | | | | | |
| - Mineral Development | | 31/03/80 | | | |
| Amendment 4 (T) | 03/02/78 | | | | |
| Amendment 5 (T) | 09/02/78 | | | | |
| Amendment 6 (T) | 09/02/78 | | | | |
| Amendment 7 | 19/05/78 | | 6 000 000 | 4 800 000 | 1 200 000 |
| - Metropolitan Halifax- | | | | | |
| Dartmouth Area | | | | | |
| Development | | 31/03/80 | | | |
| Amendment 6 (T) | 16/03/78 | | | | |
| - Strait of Canso | | | | | |
| Area Development | | 31/03/80 | | | |
| Amendment 7 (T) | 01/02/78 | | | | |
| Amendment 8 (T) | 21/03/78 | | | | |
| Amendment 9 (T) | 14/06/78 | | | | |
| - Industrial | | | | | |
| Development | | 31/03/81 | | | |
| Amendment 3 (T) | 17/05/78 | | | | |
| Amendment 4 (T) | 02/05/78 | | | | |
| - Interim Cape Breton | | | | | |
| County Development | | 31/03/78 | | | |
| Amendment 3 (T) | 05/04/78 | | | | |
| - Sydney Steel Corp. | | | | | |
| Assistance Program | | 31/03/79 | | | |
| Amendment 1 (T) | 09/05/78 | | | | |
| - Agriculture | | | | | |
| Development | | 31/03/81 | | | |
| Amendment 3 (T) | 31/03/78 | | | | |
| <u>NEW BRUNSWICK</u> | | | | | |
| - Development of Agri- | | | | | |
| cultural Resources | 22/03/78 | 31/03/83 | 34 622 500 | 27 698 000 | 6 924 500 |
| - Agricultural | | | | | |
| Development | | 31/03/78 | | | |
| Amendment 6 (T) | 31/03/78 | | | | |
| Amendment 7 (T) | 31/03/78 | | | | |

| | <u>SIGNED</u> | <u>TERMINATES</u> | <u>TOTAL FUNDING</u> | <u>FEDERAL</u> | <u>PROVINCIAL</u> |
|--|---------------|-------------------|----------------------|----------------|-------------------|
| <u>NEW BRUNSWICK (CONT'D)</u> | | | | | |
| - Saint John and Moncton Arterial Highways Amendment 3 | 22/03/78 | 31/03/79 | \$ 6 500 000 | \$ 4 550 000 | \$ 1 950 000 |
| - Tourism Development Amendment 2 | 22/03/78 | 31/03/80 | 4 828 000 | 3 862 400 | 965 600 |
| - Highways 1977-80 Amendment 1 (T) | 10/02/78 | 31/03/80 | | | |
| <u>QUEBEC</u> | | | | | |
| - Water Treatment Facilities for the Montreal Area | 30/03/78 | 31/03/82 | 200 000 000 | 120 000 000 | 80 000 000 |
| - Tourism Development | 06/04/78 | 31/03/83 | 76 000 000 | 45 600 000 | 30 400 000 |
| - Public Infrastructures | 16/05/78 | 31/03/80 | 34 876 000 | 23 261 000 | 11 615 000 |
| - Key Highways Networks Amendment 3 | 30/03/78 | 31/03/82 | 50 000 000 | 30 000 000 | 20 000 000 |
| - Industrial Infrastructure Amendment 2 | 24/01/78 | 31/03/83 | 77 670 000 | 46 602 000 | 31 068 000 |
| <u>ONTARIO</u> | | | | | |
| - Northwestern Ontario Amendment 6 (T) | 21/03/78 | 31/12/78 | | | |
| - Northeastern Ontario Amendment 2 (T) | 21/03/78 | 31/12/79 | | | |
| - Community and Rural Resource Development Amendment 1 | 19/06/78 | 31/03/83 | 5 496 650 | 2 748 325 | 2 748 325 |
| <u>MANITOBA</u> | | | | | |
| - Industrial Development | 21/04/78 | 31/03/83 | 44 000 000 | 26 400 000 | 17 600 000 |
| <u>SASKATCHEWAN</u> | | | | | |
| - Interim Saskatchewan Northlands Amendment 2 (T) | 20/03/78 | 31/03/78 | | | |
| - Planning Amendment 2 (T) | 30/03/78 | 31/03/79 | | | |
| <u>ALBERTA</u> | | | | | |
| - Interim Alberta North Amendment 3 (T) | 07/02/78 | 31/03/78 | | | |
| - Alberta North | 08/02/78 | 31/03/82 | 55 000 000 | 32 500 000 | 22 500 000 |
| <u>BRITISH COLUMBIA</u> | | | | | |
| - Fort Nelson Amendment 1 (T) | 28/03/78 | 30/09/78 | | | |
| - Evaluate Northeast Coal and Related Developments Amendment 1 (T) | 30/03/78 | 31/03/80 | | | |

GENERAL DEVELOPMENT AGREEMENTS

Since 1974, General Development Agreements (GDAs) have been signed with all provinces except Prince Edward Island, which signed a 15-year Comprehensive Development Plan in 1969. The purpose of these GDAs is to enable the federal government and the provinces to cooperate in improving the number and quality of, and access to, long-term employment opportunities. The GDAs contain brief references to the economic background of each province, record agreed development objectives for the province, and outline the strategies required to meet the objectives.

The vehicles by which the strategies and objectives of the GDAs are to be met are subsidiary agreements signed with each province as a follow-up to the GDAs where initiatives are to be undertaken by both Canada and the province. Each sub-agreement has a financial limitation and a fixed cost-sharing arrangement with the province, with provisions for monitoring the implementation of programs and projects under the agreement. It also includes appropriate provisions regarding the evaluation of its operation to ensure consistency with the objectives and strategies of the GDA. Wherever possible, DREE involves other federal government departments in order to take full advantage of the funding available through programs of all departments and consults with them to benefit from their expertise.

The General Development Agreements are 10-year agreements which are reviewed regularly, in consultation with the province and other government departments, to review progress and to consider the implementation of new development initiatives based on an ongoing analysis of each province's socio-economic circumstances.

To December 31, 1977, nine General Development Agreements and 77 sub-agreements had been signed. The following summaries of the active agreements are designed as brief reference notes. Copies of the agreements may be secured from the Public Information Services Branch of the Department of Regional Economic Expansion, 200 Rue Principale, Hull, Québec K1A 0M4.

NEWFOUNDLAND

NEWFOUNDLAND

GENERAL DEVELOPMENT AGREEMENT

The Canada-Newfoundland General Development Agreement (GDA) was signed on February 1, 1974.

The objectives of the GDA are to increase the number and quality of long-term employment opportunities in Newfoundland and to improve access to those opportunities, while permitting people to enjoy improved living standards.

These objectives are being pursued through joint federal-provincial cooperation in the economic and socio-economic areas to:

- (a) improve utilization of natural resources;
- (b) develop potentials arising out of the geographic location of Newfoundland in the North Atlantic;
- (c) maximize the retained values of activities in the province by increasing the capability of business in the province to participate on a viable basis in supplying goods and services demanded by provincial, national and international markets;
- (d) ensure that the Newfoundland labour force has the capability to benefit from and contribute fully to the initiatives to be undertaken; and
- (e) increase the capability of both public and private sectors in the province to identify and realize opportunities.

Within the general strategy of this agreement, the two governments are cooperating on a continuing basis to identify development opportunities and encourage their realization. In addition to other development opportunities that may be agreed upon during the operation of this agreement, a number of areas for action have been identified. These include forestry, fisheries, agriculture, tourism, ocean science and technology, minerals, manufacturing and integrated initiatives.

An important requirement for an increased rate of development is a significantly greater capacity in both the public and private sector for planning and implementation activity. This capacity will be supported through provision of assistance for major studies and supplementary provincial manpower resources for planning and implementation.

The Newfoundland economy has been unable to provide the level of investment in infrastructure reached in other parts of Canada, resulting in significant deficiencies in basic infrastructure required for development. The GDA seeks to remedy this situation.

Summaries of currently active sub-agreements follow.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Forestry |
| DURATION | April 26, 1974 to March 31, 1978 (retroactive to June 1, 1973) as amended January 27, 1975, April 15, 1976 and June 20, 1977 |
| OBJECTIVES | To increase employment and income in the province's forestry sector by improving resource management and forest utilization and by taking advantage of opportunities to diversify and expand forest utilizing industries. |
| BACKGROUND | <p>Between July 1972 and March 1973 a federal-provincial task force on which a number of federal and provincial departments were represented made an exhaustive study of the Newfoundland forest resource and forest-based industries. This study concluded that, based on the market prospects for newsprint, linerboard, lumber and wood-based panel products, it was possible to expand forestry production in Newfoundland if the provincial forest resource potential was improved. It was suggested that increased amounts of commercial timber could be realized under more intensive management of the forestry resources. It also recommended improved harvesting techniques together with better methods of resource allocation and utilization. The opportunity is important to Newfoundland since the potential exists to generate approximately 2 400 new jobs over the next four to five years in addition to stabilizing current employment of 8 500 in the forest industry sector.</p> <p>Following this, a sub-agreement was developed by DREE in consultation with the province and the federal departments of Fisheries and Environment, and Agriculture. It was signed by the Minister of DREE and the Newfoundland Minister of Forestry and Agriculture.</p> |
| ELEMENTS | <p>The following is an outline of its key elements:</p> <p>(a) the acquisition of management control of the forest resource;</p> |

- (b) the establishment of forest management practices adequate to sustain a net annual cut of 1.9 million cunits;
- (c) the provision of adequate access for more intensive utilization and management;
- (d) the development of steep slope logging to further increase utilization;
- (e) the establishment of integrated logging to achieve full utilization;
- (f) the establishment of hardwood-using industries to serve provincial needs and export markets;
- (g) the establishment, expansion and modernization of softwood sawmill capacity to serve provincial needs; and
- (h) the restructuring and strengthening of the Newfoundland Forest Service to ensure that acquisition of management control can be made effective.

FINANCIAL
PROVISIONS

The following is a list of projects which have been identified under the agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Acquisition of Forest Lands | \$ 4 228 600 | \$2 114 300 | \$ 2 114 300 |
| Forest Management | 371 900 | 37 200 | 334 700 |
| Harvesting, Utilization, Research and Development | 12 665 300 | 1 266 530 | 11 398 770 |
| Access Road Construction | 17 463 800 | 951 400 | 16 512 400 |
| Intensive Forest Inventories | 2 837 000 | 283 800 | 2 553 200 |
| Protection of Forest Resource | 3 520 400 | 352 040 | 3 168 360 |
| Forest Improvement | 4 727 400 | 472 740 | 4 254 660 |
| Administration of the Forest Resource | <u>8 268 900</u> | <u>826 890</u> | <u>7 442 010</u> |
| TOTAL | \$54 083 300 | \$6 304 900 | \$47 778 400 |

ADMINISTRATION
AND MANAGEMENT

A management committee composed of senior officials designated by the federal and provincial Ministers is responsible for the administration of the agreement. Both DREE and Fisheries and Environment are represented on the committee.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Gros Morne Park Area Development |
| DURATION | May 28, 1974 to March 31, 1980 (retroactive to June 1, 1973) as amended December 22, 1975, August 20, 1976 and April 22, 1977 |
| OBJECTIVES | To create new employment and income opportunities in the area through the development of the potential of the park and to ensure that local residents are able to take advantage of these opportunities. |
| BACKGROUND | <p>Recognition of the outstanding scenic appeal and high recreational capability of the Gros Morne area on the west coast of Newfoundland led to the establishment in 1973 of a 750-square-mile national park. In 1970, a tentative agreement between Canada and Newfoundland on the establishment of the park provided for the complete relocation of five of the 23 small communities within the park. The other 18 communities would be allowed to remain in four enclaves within the park, servicing the park itself and the tourists expected to visit the area.</p> <p>Resistance to relocation led to the reopening of negotiations on this aspect of the agreement. In 1973, the federal Minister of Indian and Northern Affairs agreed that no resident of the park communities would be forced to move, but that Canada stood ready to share with the province the cost of providing fair and just options to the people concerned.</p> <p>The people of this area have traditionally experienced high unemployment rates and low incomes. Since the already weak economic base of the area has been reduced still further by controls over the resources within the park, the major strategy for improving employment and earnings is in servicing the park itself and the tourist trade attracted to the area.</p> <p>This sub-agreement was developed in consultation with the federal departments of Employment and Immigration, and Indian and Northern Affairs. It was signed by the Minister of DREE and the</p> |

Newfoundland Minister of Forestry and
Agriculture.

ELEMENTS

The major elements of this sub-agreement include:

- (a) planning studies and development programs focussing on ways in which the potential demand for tourist services can be met, and development of inshore sports fishing;
- (b) community infrastructure of water and sewer systems, residential land development and a solid-waste disposal system; and
- (c) road and bridge construction and up-grading between and through the enclave communities.

Also included are technical supervision and related expenses, and evaluation/impact studies.

FINANCIAL
PROVISIONS

The following is a list of projects identified under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Planning Studies and Development Programs | \$ 470 000 | \$ 47 000 | \$ 423 000 |
| Community Infrastructure | 15 902 200 | 1 590 220 | 14 311 980 |
| Road Construction | 6 333 000 | 633 300 | 5 699 700 |
| Technical Supervi- sion & Related Expenses | 130 000 | 13 000 | 117 000 |
| Evaluation/ Impact Studies | <u>100 000</u> | <u>10 000</u> | <u>90 000</u> |
| TOTAL | \$22 935 200 | \$2 293 520 | \$20 641 680 |

ADMINISTRATION
AND MANAGEMENT

A management committee composed of senior officials designated by the federal and provincial Ministers is responsible for the administration of the agreement. The federal membership includes representation from DREE and Indian and Northern Affairs.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Fisheries Marine Service Centre Program |
| DURATION | October 15, 1974 to March 31, 1978 (retroactive to January 1, 1974) as amended November 10, 1975, March 28, 1977 and September 21, 1977 |
| OBJECTIVES | To improve the impact of the fishing industry on the provincial economy by promoting the more efficient and effective use of the longliners employed in the mid-water fishery. |
| BACKGROUND | <p>The traditional economic activity of rural Newfoundland has been the pursuit of the inshore fishery. The character of the inshore fishery has been changing with the advent of freezing plants which encourages fishermen to sell fresh fish. This factor, combined with the depleting resource, places greater emphasis on the utilization of larger boats to increase or sustain harvest yields. Many inshore fishermen have acquired longliners ranging in size from 35 feet to 65 feet.</p> <p>These vessels can range farther afield and catch more varied species of fish. The boats are equipped with large engines and sophisticated electronic gear. Unlike smaller boats which could be hauled up on the beach for shelter or repair, these craft require the facilities of service centres which can haul the boats from the water, and provide parts and technicians for repair, maintenance, and storage.</p> <p>The strategy for this sub-agreement was developed in conjunction with the Department of Fisheries and the Environment. It involves the establishment of marine service centres at strategic locations around the province which will make it possible for more fishermen to take advantage of multi-purpose boat technology, and to use these vessels more effectively by reducing the loss of fishing time due to breakdown in peak periods.</p> <p>This sub-agreement was signed by the Minister of DREE and the Newfoundland Minister of Fisheries.</p> |

ELEMENTS

The sub-agreement will enable the province to establish 14 service centres equipped with slipways or haulouts, sheltered harbours and repair facilities for the boats and fishing gear including the specialized services required for large engines and electronic equipment.

The marine service centres will be owned by the provincial Department of Fisheries who will hire the appropriate technical and management staff.

FINANCIAL
PROVISIONS

Construction of various facilities, such as wharves, service centre buildings, storage areas, 50-ton travelifts and other appropriate haulout devices and equipment for marine service centres, have been designated for the following locations:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--------------------------|---------------------------------|-----------------------------|---------------------------------|
| Durrell | \$ 1 010 000 | \$ 101 000 | \$ 909 000 |
| Wesleyville | 1 140 000 | 114 000 | 1 026 000 |
| Harbour Grace | 1 472 000 | 147 200 | 1 324 800 |
| Bonavista | 1 096 000 | 109 600 | 986 400 |
| Old Perlican | 1 262 000 | 126 200 | 1 135 800 |
| Isle-aux-Morts | 1 545 000 | 154 500 | 1 390 500 |
| Port Union | (Deleted by amendment) | | |
| La Scie | 637 000 | 63 700 | 573 300 |
| Fogo Island | 707 000 | 70 700 | 636 300 |
| Southern Harbour | 1 224 000 | 122 400 | 1 101 600 |
| Englee | 578 000 | 57 800 | 520 200 |
| Mobile Barge Facility | (Deleted by amendment) | | |
| Labrador South | 408 000 | 40 800 | 367 200 |
| St. Barbe North | 433 000 | 43 300 | 389 700 |
| Burgeo | 88 000 | 8 800 | 79 200 |
| St. Mary's Bay | 400 000 | 40 000 | 360 000 |
| Hermitage | <u>(Deleted by amendment)</u> | | |
| TOTAL | \$12 000 000 | \$1 200 000 | \$10 800 000 |

ADMINISTRATION
AND MANAGEMENT

A management committee composed of senior officials designated by the federal and provincial Ministers is responsible for the administration of the agreement. The federal membership includes representation from DREE and Fisheries and Environment.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Special Fish Plant Water System |
| DURATION | October 15, 1974 to March 31, 1978 (retroactive to January 1, 1974) as amended January 23, 1976 and March 31, 1977 |
| OBJECTIVES | To improve the efficiency of the province's fish processing industry by increasing the capacity of existing plants and generally improving the quality of fish products manufactured in the province. |
| BACKGROUND | <p>It is generally recognized that the marine fisheries resource potential of Newfoundland has not been fully exploited and that economic activity associated with the province's marine resources continues to be the mainstay of a large number of communities and towns. Consistent with this realization is the need for well formulated programs to accommodate ongoing developments within the fishing industry. Such programs can be designed to meet specific goals and objectives and provide opportunities which otherwise would not contribute to rational growth and expansion within a vital component of the province's resource sector.</p> <p>Inadequate water supply systems together with the high capital costs of providing such systems continue to impede overall efficiency within the processing sector of the province's fishing industry. This agreement is designed to facilitate and improve processing of Newfoundland fish landings through integrated fish plant water system infrastructure projects.</p> <p>This sub-agreement was developed in consultation with the federal Department of Fisheries and the Environment. It was signed by the Minister of DREE and the Newfoundland Minister of Fisheries.</p> |
| ELEMENTS | Provision is made in the agreement for completely new water supply systems and an increase in capacity of systems which are insufficient to meet individual plant demands. |

The projects identified are designed to deal with specific problems at the regional and sub-regional level and represent the highest priorities of the province that are consistent with the objectives of the proposed program. Included are such projects as construction of new water lines and reservoir dams as well as the drilling of artesian wells.

FINANCIAL PROVISIONS The construction of special fish plant water systems have been identified for the following:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--------------------------|---------------------------------|-----------------------------|---------------------------------|
| Port-aux-Basques | (Deleted by amendment) | | |
| Burnt Islands | \$1 055 000 | \$105 500 | \$ 949 500 |
| Little Bay Islands | 236 000 | 23 600 | 212 400 |
| Newstead-Comfort Cove | 928 000 | 92 800 | 835 200 |
| Hermitage | 548 000 | 54 800 | 493 200 |
| Southern Harbour | 851 490 | 85 149 | 766 341 |
| St. Brides | (Deleted by amendment) | | |
| Admiral's Beach | 395 000 | 39 500 | 355 500 |
| Valleyfield | 724 000 | 72 400 | 651 600 |
| Bay Bulls | 510 000 | 51 000 | 459 000 |
| New Harbour | 523 000 | 52 300 | 470 700 |
| Various Locations | <u>359 510</u> | <u>35 951</u> | <u>323 559</u> |
| TOTAL | \$6 130 000 | \$613 000 | \$5 517 000 |

ADMINISTRATION AND MANAGEMENT A management committee composed of one or more senior officials designated by the federal and provincial Ministers is responsible for the administration of the agreement. The federal representation is by officials from both DREE and Fisheries and Environment.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

TITLE Ocean Research and Development (NORDCO)

DURATION May 23, 1975 to March 31, 1979 (retroactive to January 1, 1975)

OBJECTIVES To stimulate the development of marine technology within the province and to foster the establishment of marine ice-related industries. It also seeks to ensure that the Newfoundland business community becomes fully involved in marine resource development in the adjacent ice-congested waters.

BACKGROUND The continental shelf off Newfoundland is one of the world's largest, stretching nearly 1 400 miles from northern Labrador to the Grand Banks. This continental shelf has a substantial oil and gas potential. At the present time, there is a world shortage of expertise and experience in operating in ice-infested waters. The ability to exploit these undersea oil and gas resources could be of great benefit to Newfoundland and Canada and as an economic development opportunity available to the province, could provide a multitude of new jobs over the next two decades. Successful exploitation of this opportunity through NORDCO could give Newfoundland a leadership role in ice-related technology and experience.

As a means of achieving these objectives, the province will incorporate a limited liability company under the name of NORDCO Limited (Newfoundland Ocean Research and Development Corporation). NORDCO is the focal point of this new subsidiary agreement and is the means of implementing strategies that will achieve the objectives of the agreement. NORDCO will endeavour to establish itself as an internationally recognized centre of expertise for the development of technology and applied research related to the exploitation of northern oceans resources and to ice-related activities. It will undertake projects in the nature of applied research and technology development related to northern oceans resources exploration and promote the commercial utilization of such technological advances. Further strategies include encouraging participation by the private sector, providing

technological assistance to Canadian marine-oriented firms wishing to expand, and initiating projects in response to requests from other organizations.

In formulating these strategies, extensive consultations were held with the federal departments of Industry, Trade and Commerce; Fisheries and Environment; and the Ministry of State for Science and Technology. Provincial authorities were also deeply involved.

The sub-agreement was signed by the Minister of DREE and by the provincial Ministers of Industrial Development and Intergovernmental Affairs.

ELEMENTS

This sub-agreement is designed to foster applied research and technological development in the marine industry sector. Consequently it is anticipated that a wide variety of innovative projects will be undertaken by the corporation in cooperation with the private sector. Specific elements therefore are not identified in this sub-agreement.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|----------------------------------|--|-----------------------------|---------------------------------|
| | \$4 910 080 | \$491 008 | \$4 419 072 |
| ADMINISTRATION AND MANAGEMENT | A management committee composed of two senior officials designated by each of the Ministers shall be responsible for the administration of this sub-agreement. | | |

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

TITLE St. John's Urban Region

DURATION July 23, 1975 to March 31, 1980

OBJECTIVES To permit the continued development of the St. John's urban region as the major centre for administration, transportation and communications, and distribution of goods in the province.

BACKGROUND The St. John's urban region is currently suffering from the lack of an adequate water supply, average daily consumption having reached the available supply. This has the effect of impeding development, both industrial and residential. A study funded under the Canada-Newfoundland Second Special Areas Agreement recommended the augmentation of the existing supply by the addition of a new water source at Bay Bulls Big Pond, together with the necessary treatment facilities and transmission lines.

As well, a major arterial road, from the Donovans Industrial Park and the Trans-Canada Highway sector of the region to the waterfront, was begun under the Second Special Areas Agreement and the first six miles were completed. Three miles, primarily through an urban setting, remain to be constructed to complete the link.

Under this agreement, it is proposed that the necessary water supply works, together with the remaining section of the Harbour Arterial Road, be constructed.

In preparing this sub-agreement, the department benefited from the active participation of the Ministry of State for Urban Affairs, Central Mortgage and Housing Corporation, as well as provincial authorities. In addition, the following departments were consulted on a continuing basis: Transport, Fisheries and Environment, Public Works, Employment and Immigration, Finance and the Treasury Board Secretariat.

The sub-agreement was signed by the Minister of DREE and the Newfoundland Minister for Inter-governmental Affairs.

ELEMENTS

The inadequacy of the St. John's water supply has already placed restrictions on the growth of industrial and commercial development in the city, including the vital area of residential housing. The projects approved by this agreement will require the construction of an intake and treatment facility at Bay Bulls Big Pond with a large-diameter pipeline to bring the treated water into the existing St. John's - Mount Pearl distribution system. The construction of this additional network will more than double the capacity of the present water supply. Work has already begun on the project and it is expected that water from the new source will begin flowing through the system by late 1977.

The St. John's Harbour Arterial Road from Kilbride to the downtown area will be completed under this new agreement. Besides improving access to downtown St. John's from the Donovans Industrial Park and the New Town residential development, the Harbour Arterial will help to revitalize the downtown area and offer full access to the harbour itself.

FINANCIAL PROVISIONS

The maximum expenditures for the major programs of the sub-agreement are allocated as follows:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| St. John's Urban Region Water Supply | \$33 400 000 | \$ 8 300 000 | \$25 100 000 |
| St. John's Harbour Arterial | <u>34 600 000</u> | <u>8 700 000</u> | <u>25 900 000</u> |
| TOTAL | \$68 000 000 | \$17 000 000 | \$51 000 000 |

ADMINISTRATION AND MANAGEMENT

Each of the Ministers shall designate one or more senior officials to be responsible for the administration of this sub-agreement. The federal government will be represented by DREE, Urban Affairs and Central Mortgage and Housing.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|----------------------|---|
| TITLE | Highways - 1976-78 |
| DURATION | June 22, 1976 to March 31, 1978 (retroactive to April 1, 1976) as amended July 14, 1976, May 4, 1977 and August 8, 1977 |
| OBJECTIVES | To provide access to identified and potential resource development opportunities, and to reduce constraints on the realization of other socio-economic development opportunities by selected improvements in those elements of the transportation system set forth in Schedule "A" of the agreement. |
| BACKGROUND | <p>On the basis of investigation undertaken jointly with officials of the provincial government, it has been concluded that continued upgrading of the transportation system is essential in the pursuit of the socio-economic development objectives and opportunities identified in the General Development Agreement. Selected improvements to the road network will support advances in agriculture, forestry, minerals development and fisheries through more efficient transportation of resources to processing and manufacturing plants, and will improve access to Canadian and export markets for a wide variety of products. The proposed roads program will reduce or end isolation, increase labour mobility, promote the viability of the resource industries and tourism, improve living standards by reducing transportation costs, and provide equitable access to social and cultural services.</p> <p>The sub-agreement was developed in consultation with the federal departments of Transport, and Fisheries and Environment. The sub-agreement was signed by the Minister of DREE, the Newfoundland Minister of Transportation and Communications and the Newfoundland Minister of Intergovernmental Affairs.</p> |
| FINANCIAL PROVISIONS | The following is a list of projects that the province will arrange to carry out under the agreement: |

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|----------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Burgeo Road | \$13 313 000 | \$1 331 300 | \$11 981 700 |
| Bonavista North Loop Road | 18 563 000 | 1 856 300 | 16 706 700 |
| Baie d'Espoir Highway | 976 000 | 97 600 | 878 400 |
| Baie Verte- La Scie Road | 765 000 | 76 500 | 688 500 |
| Northern Peninsula Highway | 23 843 000 | 2 384 300 | 21 458 700 |
| Program Evaluation | <u>200 000</u> | <u>20 000</u> | <u>180 000</u> |
| TOTAL | \$57 660 000 | \$5 766 000 | \$51 894 000 |

ADMINISTRATION
AND MANAGEMENT

The agreement is administered by a management committee of one or more senior officials from each government designated by the federal and provincial Ministers.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Planning |
| DURATION | June 22, 1976 to March 31, 1981 (retroactive to April 1, 1976) |
| OBJECTIVES | To provide a capability for the undertaking of studies and the carrying on of such planning as is required to identify and analyse economic and socio-economic development opportunities in Newfoundland and to develop and implement strategies, programs and subsidiary agreements pursuant to those opportunities. |
| BACKGROUND | <p>Detailed analysis and studies of Newfoundland's economic and socio-economic circumstances, as well as studies of sectors and opportunities in which Newfoundland has a significant advantage, are required to achieve the objectives of the GDA and the development potential of the province. Federal financial contributions are required to assist Newfoundland in obtaining external professional resources and provincial staff in order to enable both governments to plan and implement, more effectively, joint development initiatives.</p> <p>The agreement was signed by the Minister of DREE and the Newfoundland Minister for Intergovernmental Affairs.</p> |
| ELEMENTS | <p>The agreement provides for:</p> <ul style="list-style-type: none">(a) acquiring external staff and services; and(b) covering the costs of provincial staff. |

FINANCIAL
PROVISIONSExternal Staff and ServicesESTIMATED
TOTAL COSTPROVINCIAL
SHAREFEDERAL
SHARE (DREE)

1976-79

10%

90%

1979-81

50%

50%

\$4 800 000\$1 760 000\$3 040 000Provincial Staff

1976-77

10%

90%

1977-78

25%

75%

1978-79

50%

50%

\$1 585 000\$ 625 000\$ 960 000

TOTAL

\$6 385 000

\$2 385 000

\$4 000 000

ADMINISTRATION
AND MANAGEMENT

The agreement is administered by a management committee composed of one senior official from each government, designated by the respective federal and provincial Ministers.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Inshore Fisheries Development |
| DURATION | June 22, 1976 to March 31, 1981 (retroactive to June 1, 1975) as amended November 5, 1976, June 21, 1977 and September 6, 1977 |
| OBJECTIVES | To increase per capita income of inshore fishermen in Newfoundland, and to increase employment and productivity in the processing sector of the fishing industry. |
| BACKGROUND | <p>The pursuit of the inshore fishery has been a traditional economic activity in rural Newfoundland. The strategy for the catching sector of the inshore fishery is to raise incomes by efficiency improvements and product diversification. In the processing sector the strategy is to increase the number of jobs and the duration of employment by increasing and diversifying production, raising the value-added, and improving the product quality. The initiatives in this agreement, as well as others that may be developed, are intended to relieve certain difficulties in the industry, and specifically to support the productive herring fishery in the St. Barbe North area.</p> <p>The agreement will provide multi-purpose facilities for use directly by private fishermen. Improvements in these facilities will benefit the various phases of the industry, from the catching operations through the processing, and consequently to the marketing because of quality improvements. For example, the community stages are publicly-owned landing and processing facilities. They generally consist of a wharf, storage shed, and a processing area. The stages enable the production of high quality and higher value products from the herring resources of the Gulf of St. Lawrence landed and processed in the St. Barbe North area.</p> <p>The central cool-storage building will improve quality control during processing, and provide facilities for repacking the herring for shipment.</p> <p>The water supply systems will provide larger supplies of clean fresh water to two fish plants.</p> |

Clean water is required under the Fish Inspection Act and it will ensure higher quality production. Further, abundant water supplies will permit increases in production.

The agreement was signed by the Minister of DREE and the provincial Ministers of Fisheries and for Intergovernmental Affairs.

ELEMENTS

Provision is made in the agreement for the following facilities and activities:

(a) St. Barbe North Facilities Improvement Program:

- (i) upgrading of six community stages;
- (ii) construction of two new stages;
- (iii) construction of a central cool-storage facility.

(b) Water Supply Systems for Fish Plants; and

(c) Program Evaluation and Development Planning Studies.

FINANCIAL PROVISIONS

The following is a list of projects that the province will arrange to carry out under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| 1. St. Barbe North Facilities Improvement | | | |
| 1.1 Community Stage Upgrading | \$ 470 000 | \$ 47 000 | \$ 423 000 |
| 1.2 Community Stage Construction | 530 000 | 53 000 | 477 000 |
| 1.3 Cool-Storage Building Construction | 990 000 | 99 000 | 891 000 |
| 2. Water Supplies for Fish Plants | | | |
| 2.1 Port-aux-Basques | 1 341 000 | 134 100 | 1 206 900 |
| 2.2 St. Brides | 360 000 | 36 000 | 324 000 |
| 3. Program Evalua- tion and Develop- ment Planning Studies | <u>200 000</u> | <u>20 000</u> | <u>180 000</u> |
| TOTAL | \$3 891 000 | \$389 100 | \$3 501 900 |

ADMINISTRATION The agreement is administered by a management
AND MANAGEMENT committee of one or more senior officials of each
 government designated by the federal and
 provincial Ministers. The federal government
 will be represented by DREE, and Fisheries and
 Environment.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

TITLE Labrador Interim

DURATION December 3, 1976 to March 31, 1980

OBJECTIVES To assist the municipality of Happy Valley-Goose Bay to maintain its socio-economic viability following the substantial reduction of U.S. military operations at Goose Bay airport.

To initiate, in selected communities, infrastructure improvements and services required for the diversification of the local economy and to assist Labradorians to participate in emerging developmental opportunities.

To reinforce the long-term orderly development of Labrador for the benefit of its inhabitants and the province.

BACKGROUND The substantial reduction of United States Air Force operations at Goose Bay airport precipitated the development of a subsidiary agreement as a means of assisting the community of Happy Valley-Goose Bay to maintain its socio-economic base, and as a means of helping the community to develop new industrial endeavours at the airport as its primary place of employment. At the request of the province, the scope of the proposed agreement was widened to include a project in the town of Wabush. Subsequently the Labrador interim subsidiary agreement was developed as a mechanism for the immediate and long-term development of Labrador.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|-----------------------------|-------------------------|-----------------------------|
| 1. Wabush Industrial Park | \$3 800 000 | \$380 000 | \$3 420 000 |
| 2. Northwest River Bridge | 2 800 000 | 280 000 | 2 520 000 |
| 3. Happy Valley-Goose Bay Economic Development Corp. | 385 000 | 38 500 | 346 500 |

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| 4. Student Dormitory at Happy Valley Vocational School | \$ 2 225 000 | \$ 222 500 | \$2 002 500 |
| 5. Auxiliary Sewage Collector System and Outfall Facility | 500 000 | 50 000 | 450 000 |
| 6. Street Improve- ment in the Town of Happy Valley | 500 000 | 50 000 | 450 000 |
| 7. Town of Happy Valley Neighbour- hood Improvement Program | 750 000 | 300 000 | 450 000 |
| 8. Program Evalua- tion | <u>200 000</u> | <u>20 000</u> | <u>180 000</u> |
| TOTAL | \$11 160 000 | \$1 341 000 | \$9 819 000 |

NOTE: The DREE share represents 90% of the direct costs connected with projects 1 through 6 and 8. The DREE share of project 7 is 90% of the estimated municipal cost of a Neighbourhood Improvement Program up to a maximum of \$450 000, subject to the provision set out in sub-section 4(6) of the agreement.

ADMINISTRATION AND MANAGEMENT Supervision of the program will be provided by a management committee consisting of equal numbers of representatives of each government, designated by the respective federal and provincial Ministers.

Provision is made for an on-going evaluation process to commence immediately under the supervision of the management committee.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Mineral Development |
| DURATION | December 17, 1976 to December 31, 1981 as amended April 28, 1977 |
| OBJECTIVES | To develop Newfoundland's mineral resources by upgrading geoscientific data in selected high-potential areas, by providing a comprehensive inventory of known deposits, and by developing policies for mineral resource management that will encourage exploration and development by the private sector while providing maximum socio-economic benefit to Newfoundland. |
| BACKGROUND | <p>The mineral industry in Newfoundland represents some 22% of the Gross Provincial Product, but its full potential is far from realized. The industry is largely extractive in nature with very little upgrading of the mined product being undertaken. Considerable opportunity exists for expanding both mining and processing activities with a consequent improvement in both economic and social returns to the province. About 6 500 persons, or 4% of the labour force, are employed in the mineral industry. It is reasonable to assume that a minimum of 1 000 to 1 500 new jobs could be created within 10 years after program initiation.</p> <p>Short- to medium-term benefits in extraction and processing opportunities and policy development have derived from the previous mineral exploration and evaluation agreement signed between Canada and Newfoundland in 1971. This agreement, which was funded jointly by DREE and Energy, Mines and Resources, expired on March 31, 1976. An extension of some of the work carried out under the agreement is included in the present proposal. However, because of the lack of basic geoscientific data, effective long-term development potential cannot be fully realized. The program therefore includes a significant component of geoscientific surveying and mapping.</p> |

| FINANCIAL PROVISIONS | ESTIMATED <u>TOTAL COST</u> | PROVINCIAL <u>SHARE</u> | FEDERAL <u>SHARE (DREE)</u> |
|---|--------------------------------|----------------------------|--------------------------------|
| Regional Mineral Potential Evalua- tion | \$ 8 587 000 | \$ 858 700 | \$ 7 728 300 |
| Mineral Development Strategies | 2 582 000 | 258 200 | 2 323 800 |
| Mineral Resource Management | 1 089 000 | 108 900 | 980 100 |
| Program Evaluation | <u>200 000</u> | <u>20 000</u> | <u>180 000</u> |
| TOTAL | \$12 458 000 | \$1 245 800 | \$11 212 200 |

The federal share will be divided equally between DREE and Energy, Mines and Resources.

| | |
|----------------------------------|--|
| ADMINISTRATION AND MANAGEMENT | A management committee composed of officials designated by the federal and provincial Ministers is responsible for the administration of the agreement and the evaluation of the program. The committee is chaired jointly by one federal and one provincial co-chairman. The federal membership includes representation from both sponsoring departments. |
|----------------------------------|--|

NOVA SCOTIA

NOVA SCOTIA

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) with Nova Scotia was signed September 12, 1974 by the Minister of Regional Economic Expansion and the Premier of Nova Scotia.

The objectives of this agreement are to encourage the expansion of viable, long-term employment opportunities; to promote optimum quality of life within Nova Scotia and increased earned incomes for its people; and to assist in the development of a dynamic and creative provincial economy which will encourage the growth and stability of economic activity in the province.

In seeking to achieve these general objectives, the governments will jointly pursue strategies involving more specific sectoral and geographic approaches, including:

- (a) the development of new or expanded employment opportunities throughout the province by the identification and implementation of appropriate development opportunities;
- (b) the design and implementation of urban and rural development measures required to promote and support economic and socio-economic development opportunities in Nova Scotia;
- (c) the development of the resource industries of fishing, agriculture, forestry and mining through measures to improve their efficiency, productivity and optimum resource utilization, including intensified research and the further processing of their primary products;
- (d) the development of the Halifax-Dartmouth metropolitan area, with special emphasis on high-technology industries, communication, distribution and transportation-related industries, and a wide range of business and personal services, consistent with its evolution as a major business and service centre;
- (e) the continued development of the primary and secondary processing of imported and domestic raw and semi-finished materials in the Strait of Canso area;
- (f) the development of the economic and social opportunities of the tourism/recreation and related sectors;
- (g) the provision of interim assistance required to eliminate impediments threatening the retention and

maintenance of otherwise viable employment opportunities and industries;

- (h) the development of spin-off opportunities related to supply, service, exploration, extraction and distribution of off-shore oil and gas;
- (i) the development of ocean science technology and ocean-related industries, including shipbuilding and ship repair; and
- (j) the development of energy resources and energy distribution systems to assist in providing adequate energy supplies to Nova Scotia consumers and industries.

Summaries of currently active sub-agreements follow.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Mineral Development |
| DURATION | February 17, 1975 to March 31, 1980 as amended April 14, 1977, June 28, 1977 and August 4, 1977 |
| OBJECTIVES | To increase employment and investment in the province's mining sector by providing for accelerated mineral reconnaissance, geological programs and an assessment of mineral resources. |
| BACKGROUND | <p>The mineral industry in Nova Scotia has been centred in the coal industry, an industry which has not, in the past, been able to contribute significantly towards closing the regional disparity gap.</p> <p>It has been recognized that new mineral deposits have to be found to broaden the industry base and to create more economic impact. Programs have been carried out in mineral exploration, but a less than dynamic industry exists. Previously, policy review work suggested that substantial development opportunities existed in lead and zinc, barite and fluorite, gypsum and salt. Recent successful mineral discoveries have indicated a relatively high exploration potential.</p> <p>It is now an opportune time to accelerate and broaden the scope of these programs; reduce or eliminate identifiable constraints to mineral exploration and development; undertake the processing of minerals which are presently mined and exported in raw or bulk form; all with the intention of increasing employment and investment opportunities through the development of mineral-based industries in the province.</p> <p>This sub-agreement was developed in close cooperation with the federal Department of Energy, Mines and Resources and the Province of Nova Scotia. It was signed by the Minister of DREE and the provincial Minister of Development.</p> |
| ELEMENTS | The six major elements of the sub-agreement relate to: |

(a) Resource Development Planning

The purpose of resource development planning is to identify development opportunities and devise programs to optimize government efforts in promoting exploration and exploitation of the mineral resource.

(b) Mineral Resource Inventory

To provide a base for formulating policies and programs regarding mineral exploration and development, there is required a complete and comprehensive data and information system on the nature, extent and location of known mineral occurrences. An inventory of known resources is the first step in developing priorities of action.

(c) Mineral Evaluation Survey

An examination, mapping and evaluation of known mineral occurrence, including offshore drilling in the Sydney Basin coal field, and the search for new deposits of industrial minerals provide a direct means of encouraging mineral development and the utilization of provincial resources.

(d) Geological-Geochemical Survey

One of the most useful functions in stimulating continuing exploration activity by private industry is the provision of basic geological data and concepts. The program will give priority to selected areas with the objective of carrying out a comprehensive and coordinated approach utilizing a broad range of geological, geochemical and geophysical techniques.

(e) Laboratory Services

The Department of Mines operates a laboratory to perform analytical services, ceramic testing and small-scale mineral dressing tests; however, some of its major analytical equipment is now obsolete and of insufficient capacity to meet increasing demands of the department and industry. This agreement will attempt to improve the situation.

FINANCIAL
PROVISIONS

The following is a list of projects the province
will arrange to carry out under this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Resource Development Planning | \$ 486 500 | \$ 97 300 | \$ 389 200 |
| Mineral Resource Inventory | 148 200 | 29 600 | 118 600 |
| Mineral Evaluation Survey | 9 984 200 | 1 996 900 | 7 987 300 |
| Geological-Geochemical Survey | 2 505 000 | 501 000 | 2 004 000 |
| Laboratory Services | 161 000 | 32 100 | 128 900 |
| Program Management and Administration | <u>553 000</u> | <u>110 600</u> | <u>442 400</u> |
| TOTAL | \$13 838 000 | \$2 767 600 | \$11 070 400 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a management committee composed of one representative from DREE, one from Energy, Mines and Resources, and two from the province, as designated by the respective federal and provincial Ministers.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Metropolitan Halifax-Dartmouth Area Development |
| DURATION | March 31, 1975 to March 31, 1980 as amended September 11, 1975, February 27, 1976, April 28, 1976, March 17, 1977 and April 21, 1977 |
| OBJECTIVES | To enable Halifax-Dartmouth to function more effectively in its role as the principal regional centre in the Atlantic provinces by ensuring desirable development of the downtown areas of the two cities, continued development of the harbour resource and increased industrial development, particularly in high-technology industries. |
| BACKGROUND | <p>The Halifax-Dartmouth metro area is the most prosperous part of the Atlantic, with per capita and family incomes about 10% above the national average. More importantly, it is now coming to play a central role within the total Atlantic economy. The Halifax-Dartmouth metropolitan area has gradually changed from a slow-growth area to a major growth centre, with increasing links to the major metropolitan areas in the rest of Canada and the eastern seaboard of the United States. It is essential that the rate of development and growth in the metro area be sustained, not only to ensure continued prosperity for the residents of Halifax-Dartmouth but also to ensure the generation of the maximum possible benefits for the remaining parts of Nova Scotia and the Atlantic Region.</p> <p>Five broad benefits are anticipated to arise from the implementation of this subsidiary agreement:</p> <ul style="list-style-type: none">(a) it will provide employment for future additions to the work force, particularly additions based on in-migration from other parts of the Atlantic provinces;(b) the subsidiary agreement will help to ensure that expansion goes forward in an orderly manner, with the generation of the minimum amount of "disbenefits" generally associated with high growth; |

- (c) the subsidiary agreement will assist in ensuring that the current upward momentum in the Halifax-Dartmouth economy is sustained;
- (d) related to the previous "benefits", the implementation of this subsidiary agreement will lead to a better integrated Atlantic economy through an improved and expanded transportation and distribution system to take advantage of the unique "gateway" location of Halifax in relation to world markets; and
- (e) the subsidiary agreement will assist in the restructuring of the Halifax-Dartmouth economy towards more highly skilled manufacturing and service activities which will increase opportunities for new employment and increased incomes.

This sub-agreement illustrates the federal policy of interdepartmental cooperation on development matters. On the federal side, the departments of Public Works, Transport, Fisheries and Environment, Urban Affairs, Employment and Immigration and the National Harbours Board have worked closely with DREE on the sub-agreement and will be closely involved in its implementation.

This sub-agreement was signed by the federal Ministers of DREE, Public Works and Urban Affairs, and by the Nova Scotia Minister of Development.

ELEMENTS

The Halifax-Dartmouth sub-agreement calls for programs in three broad development categories: metro development in the Halifax-Dartmouth area, port-related development, and industrial development.

The waterfront development master plan will include space for a hotel and convention complex, office facilities for federal and provincial governments, commercial and retail space, ferry terminals and housing. The development is expected to generate millions of dollars in income annually, and some 2 000 to 4 000 jobs within the office space provided.

Funds are provided to complete the construction of a regional water supply. Demands on the existing water supply are close to capacity, and continued development of the metropolitan area requires that this new water supply be established.

Work to be done includes the construction of approximately 16 miles of transmission main to carry water from the treatment plant at Pockwock Lake to the City of Halifax and into Bedford. The line will connect with the North End feeder through a control chamber near Main Avenue at Dunbrack Street in Halifax, with the Geizer Hill and Cowie Hill reservoirs, and with Bedford Reservoir.

To ease traffic problems in the Halifax area caused by increased development of the waterfront, a computerized traffic management centre will be introduced. Improvements to Portland Street and the construction of Dunbrack Street will also be carried out to accommodate increasing traffic.

The port-related section of the sub-agreement notes the fact that facilities at the highly successful Halifax container terminal will operate at capacity this year. Feasibility and design studies will, therefore, be carried out for possible construction of additional facilities.

The third program in this subsidiary agreement is concerned with industrial development of which the most promising areas are high-technology and ocean-oriented industry.

Studies will be carried out into the feasibility of ship repair facilities for the area, the costs and benefits of industrial park expansions and a gateway study.

Approximately 200 acres adjoining the Burnside Industrial Park will be serviced with water, sewers and roads to meet future demands for industrial land and a Bedford by-pass will be constructed to ease traffic in the northeast part of the metropolitan area.

FINANCIAL PROVISIONS

The following is a reference to the projects the province will arrange to carry out under this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Halifax-Dartmouth Waterfront Development | \$87 710 000 | \$22 253 000 | \$65 457 000 |
| The Gateway: The Port | 1 500 000 | 300 000 | 1 200 000 |
| Industrial Development | <u>21 600 000</u> | <u>8 260 000</u> | <u>13 340 000</u> |
| TOTAL | \$110 810 000 | \$30 813 000 | \$79 997 000 |

ADMINISTRATION
AND MANAGEMENT

Administration of the sub-agreement will be in the hands of a joint management committee comprising members from DREE and the provincial Department of Development. An intergovernmental waterfront committee composed of members from DREE, Public Works and Urban Affairs, relevant provincial departments and municipal representatives is responsible for managing the Halifax-Dartmouth waterfront development project of the sub-agreement.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

TITLE Strait of Canso Area Development

DURATION March 31, 1975 to March 31, 1978 as amended August 15, 1975, June 18, 1976, December 21, 1976 and July 22, 1977

OBJECTIVES To stimulate the development of a major industrial concentration at the Strait of Canso and thus ensure that important assets, such as an excellent deepwater harbour, are used to promote maximum income and employment opportunities for the people of Nova Scotia.

BACKGROUND The Strait of Canso has one of the finest deep-water harbours in the western hemisphere. Development of the causeway in 1955 created a fully sheltered and ice-free harbour out of the Strait. It has water depths of up to 120 feet within a few hundred yards of the shore. Canso is slightly over 200 miles from Halifax and is fully accessible by road, rail and water.

The harbour in itself gives the Strait area a tremendous advantage over most ports on the North American Atlantic coast. Since the advent of super tankers and large bulk carriers, industrial concerns are indicating a strong preference for locating production and service facilities, dependent on large volume raw material shipments, at strategic points with deepwater harbours. The Strait has the further advantage of being convenient to important Atlantic shipping routes and of being relatively close to urban centres which offer support services and from which a labour force can be drawn.

The opportunity, therefore, lies in capitalizing on these assets by attracting a number of major industries to the Strait.

This sub-agreement was developed in consultation with other federal government departments, such as Industry, Trade and Commerce, and Employment and Immigration, and with provincial authorities. It was signed by the Minister of DREE and the Nova Scotia Minister of Development.

ELEMENTS

(a) The Strait of Canso Development Office

This office will be responsible for the development planning for the region, coordination of municipal and provincial government activities in cooperation with the Strait of Canso Steering Committee, and management and administration of activities to promote industrial development in the area.

(b) Integrated Regional Planning

Overall planning will be developed with emphasis on 1) a comprehensive regional and municipal planning program to provide for an orderly and integrated community and physical development of the Strait of Canso, and 2) optimum utilization and environmental management of the harbour area.

(c) Community and Industrial Infrastructure

Under this program, feasibility analyses, and design and construction of selected infrastructure projects will be undertaken, including:

Melford Brook Reservoir
Expansion of Landry Lake Reservoir
Port Hawkesbury School/Community Centre
Mulgrave By-Pass Highway
Trunk 104 - East of Port Hawkesbury to Cannes.

FINANCIAL
PROVISIONS

The following is a summary of projects that the province will arrange to carry out under this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Strait of Canso Development Office | \$ 1 850 000 | \$ 370 000 | \$ 1 480 000 |
| Integrated Regional Planning | 2 090 000 | 418 000 | 1 672 000 |
| Community and Indus- trial Infrastructure | <u>21 531 000</u> | <u>5 561 000</u> | <u>15 970 000</u> |
| TOTAL | \$25 471 000 | \$6 349 000 | \$19 122 000 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a management committee consisting of equal numbers of representatives of each government, designated by the respective federal and provincial Ministers.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Agriculture Development |
| DURATION | June 22, 1976 to March 31, 1981 as amended July 22, 1976 and February 9, 1977 |
| OBJECTIVES | To improve the viability and stability of the agriculture industry and enhance its ability to sustain growth; maintain existing and create new employment opportunities in the agriculture industry; and expand the output and productivity of underexploited components of the agriculture industry which enjoy an economic advantage in provincial or export markets. |
| BACKGROUND | <p>Traditionally, the agriculture base in Nova Scotia has consisted of a large number of small farm units widely distributed throughout the rural areas of the province. Farming has often been combined with fishing and/or forestry, providing only marginal living conditions for the rural population.</p> <p>Since World War II, technological and economic forces have dramatically changed the role of agriculture. This change is reflected in a decline in census farms from 23 500 in 1951, to the present level of approximately 6 000. As this trend continues, a sound base of good farmers on good land is being established. The further development and success of those farmers depends upon their ability to adapt to a continually changing technological and commercial environment.</p> <p>According to the 1971 census, the total amount of land in farms was 1 383 000 acres, with 386 000 of those acres improved. This can be broken down into 260 000 acres in grass (153 000 acres in hay and 107 000 acres in pasture) and 126 000 acres in high-energy, protein and horticultural crops.</p> <p>Fifty-seven per cent of the census farms have cash sales of less than \$2 500 and have an average improved acreage of only 32 acres. At the other end of the scale, only 20% of the farms have sales in excess of \$10 000. These have an average of 150 improved acres.</p> |

Land tends to be subdivided into long, narrow lots. This makes it difficult to assemble blocks of agricultural land to develop a viable land base. Along with the shape of the properties, the land ownership pattern further complicates land assembly.

In terms of production, the existing agriculture industry can best be described by sectors, each with its unique characteristics.

Dairy Products - Although the number of cows kept on Nova Scotia farms has decreased over recent years, increased milk production per cow has kept total production nearly constant. About 350 million pounds of milk are produced annually in the province.

Meat Products - Nova Scotia's beef supply of 45 000 head is produced on pasture or feedlots. The potential exists for increased production since the Nova Scotia market consumes three times more than existing producers can supply.

The production of hogs has been steadily increasing from a low of 47 000 head in 1957 to 131 000 in 1971; but the province is still producing less than half of total requirements. A highlight of the pork industry is its record in leading all provinces in the quality of pork produced.

The production of poultry meats is one of the most efficient segments of the agricultural industry. Producer marketing boards actively monitor production to ensure that market demands will be satisfied.

Eggs - Provincial egg producers have historically supplied both local and export demands.

Fruits - About three million bushels of apples, two million quarts of strawberries, 10 million pounds of blueberries and smaller amounts of pears, plums, raspberries and cranberries form the basis for the fruit industry in the province. Fruit production is especially significant because of its concentration in a few areas.

Vegetables - Vegetables are produced on more than 9 500 acres in the province. The most important vegetable crop is potatoes, with 3 500 acres producing, mainly for the processing market. In addition to potatoes and fresh vegetables, beans and peas for processing are grown on about 3 500 acres.

Other Agricultural Products - The greenhouse industry sells about \$4.5 million worth of flowers, bedding plants, and vegetables annually from the two million square feet of area covered by glass and plastic in the province.

Tobacco production - Tobacco valued at \$1.2 million annually is produced on 1 250 acres.

Other agricultural products of importance in the province include fur pelts, with farm sales of \$1.9 million; sheep, with farm sales of \$620 000; and other miscellaneous products valued at about \$2.8 million; as well as "income and kind" produced and consumed on the farm valued at \$6.2 million.

In addition to these commodities produced for sale, many products produced are used for livestock feed. These include grain, hay, corn grain and silage.

The value of these products is reflected in the sale of the livestock to which they are fed. The fact that these inputs are produced locally rather than imported adds substantially to the importance of the total economics of the agricultural industry in the province.

The concept of the subsistence farm is disappearing and is being replaced by the farm business. Individual farmer initiative, supported by federal and provincial government programs, has made a substantial contribution to the development of a nucleus of farmers who are using sound business management techniques to operate their enterprises. In the past two decades, agriculture spending has increased from \$27 million to \$90 million.

While changing technology has resulted in a certain amount of specialization, mixed farming continues to be the agricultural enterprise most suited to the Nova Scotia situation.

In economic terms, farm cash receipts of \$104 million in 1974 resulted in the purchase of \$89 million worth of goods and services (for example machinery sales and service, petroleum products distribution, construction, feed milling insurance, banking), supplied mainly by rural businessmen. Nearly all the financial capital used in agriculture is generated in Nova Scotia and any return remains in the province.

The primary production activity directly supports secondary manufacturing including meat and poultry processing, dairy products, and fruit and vegetable processing industries. The dependence of secondary industry on agriculture can be exemplified by the fact that of 139 manufacturing and processing firms in the Annapolis Valley and Kings County, 68 are wholly dependent on local farm production for their raw materials.

Apart from purely economic considerations, the agriculture industry plays an important role in maintaining the quality of the rural countryside of Nova Scotia. Tourists and residents alike have come to value the aesthetic aspects of the rural scene and a prosperous agriculture industry is a prime force in maintaining this attractiveness.

ELEMENTS

The first element of the strategy involves expansion of the agricultural land base.

There are a number of constraints that must be overcome: low ratio of improved to unimproved land; ownership of a large percentage of unexploited land by non-farmers such as pensioners, non-residents and estates; small scattered holdings; and substantial amounts of Class II and III land which has never been exploited.

Removal of these constraints involves gaining access to unemployed land, consolidation of land into viable-sized units, development of new land, and increasing the productivity of the presently exploited land through cultural improvements, field enlargement and consolidation.

The second element of the strategy concerns development of the type of farming operation best suited to meet the goals of increasing meat production and, at the same time, decreasing the dependence on imported feed.

The most suitable is the mixed farm with a land base capable of growing the feed requirements of the animal units being produced. There are many combinations that can be used, for example:

- (i) hogs - high-energy and protein crops - beef
- (ii) poultry - forage - beef
- (iii) orchard - forage - beef

- (iv) dairy - high-energy and protein crops - hogs

This type of farming also utilizes the animal by-products in the production of the crops.

The third element of strategy involves the producer. In order to increase production at the rate projected, it will require full-time farmers who have an adequate land base. There are three groups to draw on:

- (a) successful farmers who have resource potential for expansion;
- (b) farmers prepared to expand production but who do not have an adequate resource base to enable them to expand to the point where it would not be necessary to supplement income with off-farm work; and
- (c) young people with the capability to operate a farm but lacking the equity to get started.

The fourth element of strategy involves training and technology utilization. Farming is a business and is continually confronted with technological and economic changes. The farmer must be knowledgeable of management methods, keep abreast of technological changes and understand marketing. Young people entering the farming business must have a sound knowledge of management and a good background in the type of farming to be undertaken.

To fulfill these requirements a variety of tools must be utilized. These would include short courses; a combination of formal and on-farm training; and the use of an innovative demonstration program to encourage the development and adoption of suitable technology on the farm.

FINANCIAL PROVISIONS

The following is a list of programs the province will carry out under this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Land Development | \$31 400 000 | \$14 280 000 | \$17 120 000 |
| High-Energy and Protein Feed | 7 192 000 | 2 032 000 | 5 160 000 |
| Livestock Development | 6 200 000 | 1 240 000 | 4 960 000 |
| Horticulture | 2 425 000 | 485 000 | 1 940 000 |
| Special Development | <u>1 000 000</u> | <u>200 000</u> | <u>800 000</u> |
| TOTAL | \$48 217 000 | \$18 237 000 | \$29 980 000 |

ADMINISTRATION AND MANAGEMENT The appropriate federal and provincial Ministers shall designate one or more senior officials in equal numbers to be responsible for the administration of this agreement. These officials shall constitute the management committee. The federal representation includes DREE and Agriculture.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Industrial Development |
| DURATION | June 22, 1976 to March 31, 1981 as amended September 28, 1976 and February 10, 1977 |
| OBJECTIVES | To support the development of new employment opportunities in Nova Scotia in the secondary and tertiary sectors of the economy; to encourage the development, expansion and efficiency of indigenous enterprises in Nova Scotia; and to increase the variety of employment opportunities available, with particular emphasis on higher skill and higher wage employment, particularly in certain intermediate-size communities. |
| BACKGROUND | <p>During the 60s, manufacturing output in Nova Scotia showed fairly substantial gains but manufacturing employment grew at a very low rate. Only Quebec and Saskatchewan reported smaller employment gains during this period. From about 1970 on, however, an important reversal occurred with employment gains outstripping the national average. This is particularly significant when the service sector gains from manufacturing employment are taken into account.</p> <p>The Nova Scotia and Maritime markets are now judged to be of sufficient size and concentration to support the manufacture of product lines that were previously produced and imported from central Canada. This "import substitution" activity, combined with the growth in export-oriented firms, have provided the province with its strongest gains in secondary manufacturing activity since the Second World War.</p> <p>An analysis of industry trends shows that a wide range of activities has contributed to the recent upturn. Among those showing the most impressive increases are the production of: pulp and paper, rubber products, ships and boats, railroad rolling stock, motor vehicles, petroleum products, carpets, mats and rugs, other furnishings, fabricated and structural metal, electronic communications equipment, truck body and trailer manufactures, miscellaneous machinery and equipment, electrical wire, and industrial chemicals.</p> |

The gains realized by these industries more than offset the losses experienced by some of the more traditional activities, including fish processing and sawmilling.

Thus, for the first time in many years, secondary manufacturing has played a leadership role in the upward trend of the Nova Scotia economy.

Most of these manufacturing gains have been concentrated in the central counties of the province, and in particular in Halifax-Dartmouth, Truro and Amherst. This has combined with the urban bias of most of the high-growth service activities to make the central corridor of Nova Scotia one of the more rapidly expanding areas of Canada over the past five years.

The medium-size urban centres along this corridor have thus displayed a strong capability for generating secondary manufacturing activity over the past few years. These trends are expected to continue. Therefore, it is anticipated that secondary manufacturing will continue to play a leadership role in the future expansion of the intermediate-size centres.

Efforts are required, however, to accommodate and accelerate this growth in secondary manufacturing and to ensure that it provides the maximum possible benefits to the residents of these centres and to Nova Scotia generally.

The sub-agreement was developed in close cooperation with the Nova Scotia Department of Development. It was signed by the Minister of DREE and the provincial Minister of Development.

ELEMENTS

There are five major elements to the strategy involved in this sub-agreement.

(a) Opportunity Identification, Analysis and Promotion

The purpose of this element is to identify the industries which would be suitable for Nova Scotia, undertaking analysis for their viability and providing for special promotional efforts. It will also cover studies of special infrastructure requirements and the development of an industrial information system in the provincial Department of Development.

(b) Support for Local Enterprise

The purpose of this element is to provide assistance in the areas of management generally and marketing in particular to help Nova Scotia business become firmly established and stay abreast of new markets and new techniques and thus maintain a strong competitive position. Skills and tools developed during this process will help smaller firms to lessen their dependence on government assistance in the long run. The cost of this second element is to be borne by the province.

(c) Industrial Location

The purpose of this element of the strategy is to reinforce existing growth patterns, particularly in the central corridor of the province, ensuring the availability of serviced industrial land in industrial parks in the higher growth areas of Amherst and Debert, and at Kentville, Stellarton and Windsor, which are peripheral to the high-growth region. Also included are special industrial park-related activities and provision for the establishment of shell factories.

(d) Provision of Industrial Infrastructure

The purpose of this element is to facilitate industrial expansion through provision of serviced industrial land and other basic infrastructure for specialized industries which may be better accommodated outside of established industrial parks.

(e) Manpower Development

The purpose of this element of the strategy is to provide skill upgrading in existing employment and to provide comprehensive manpower assistance to major new industries where required.

FINANCIAL
PROVISIONS

The following is a list of programs the province will carry out under this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Opportunity, Identification, Analysis and Promotion | \$ 2 850 000 | \$ 570 000 | \$ 2 280 000 |
| Industrial Parks and Related Infrastructure | 10 279 000 | 2 055 800 | 8 223 200 |
| Industrial Infrastructure | 3 000 000 | 600 000 | 2 400 000 |
| Public Information and Evaluation | <u>160 000</u> | <u>32 000</u> | <u>128 000</u> |
| TOTAL | \$16 289 000 | \$3 257 800 | \$13 031 200 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a management committee composed of one or more senior officials in equal numbers to be appointed by the respective federal and provincial Ministers.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Planning |
| DURATION | June 22, 1976 to March 31, 1980 |
| OBJECTIVES | <p>To enable Canada and the province to provide a capability for undertaking studies and conducting such planning as is required to identify and analyze economic and socio-economic opportunities in Nova Scotia and to develop strategies, programs and subsidiary agreements pursuant to those opportunities.</p> |
| BACKGROUND | <p>In 1973 an interim planning agreement between Canada and Nova Scotia was approved by Treasury Board. Under this agreement, several studies were undertaken to investigate development opportunities in Nova Scotia.</p> <p>The planning subsidiary agreement signed in May of 1976 continues and broadens the type of thrust begun under the interim planning agreement. In particular, it defines three areas for planning and development initiatives. These are: Physical and Resource Planning, Research and Studies to Investigate Development Opportunities, and General Development Planning.</p> <p>Under the planning subsidiary agreement, DREE and the province are working closely towards developing an overall development strategy for the province and undertaking the necessary planning and studies to implement the strategy. For example, background studies to develop a tourism subsidiary agreement for Nova Scotia and studies relating to SYSCO were funded under this agreement.</p> |
| ELEMENTS | <p>The three major elements of this subsidiary agreement are:</p> <p>(a) <u>Physical and Resource Planning</u></p> <p>This program deals with the assembly and analysis of baseline data and information regarding the location of development projects. The program will provide information regarding broad, sub-regional</p> |

development patterns, and assessments of the socio-economic and environmental impact on development at different locations. This is particularly important for projects which require unique physical attributes (for example, oil platform construction requires protected, deepwater, steep-gradient harbours). The program will complement and utilize information from the resource survey programs in other subsidiary agreements and ongoing activities of the Maritime Resource Management Center. Activities in this program include studies dealing with land use, the assimilation of baseline data and information, and, possibly, environmental impact studies.

(b) Research and Studies to Investigate Development Opportunities

This program will fund studies to investigate specific development opportunities. The objective of the program is to provide the necessary background information and strategy for turning broadly-defined development opportunities into job- and income-creating activities. Strategically, it deals primarily with attracting investment by the private sector to Nova Scotia. In certain instances, studies under this program will be jointly financed with private industry. It includes technical feasibility and pre-engineering studies required to put into place supportive infrastructure and social infrastructure, where applicable, for certain specific opportunities.

(c) General Development Planning

The objective of this program is to increase the efficiency of the provincial government in undertaking development within Nova Scotia. Areas to be investigated under this program include basic economic and social research and analysis.

With regard to basic economic research and analysis, an updating of the Nova Scotia input/output tables and their extension and modification for benefit/cost analysis will be undertaken.

FINANCIAL
PROVISIONS

The following is a list of programs the province will arrange to carry out under this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Physical and Resource Planning | \$1 500 000 | \$ 750 000 | \$ 750 000 |
| Research and Studies to Investigate Development Opportunities | 3 000 000 | 1 500 000 | 1 500 000 |
| General Development Planning | <u>500 000</u> | <u>250 000</u> | <u>250 000</u> |
| TOTAL | \$5 000 000 | \$2 500 000 | \$2 500 000 |

ADMINISTRATION
AND MANAGEMENT

Management of this agreement is by a management committee composed of two representatives from DREE and two representatives from the province, as designated by the respective federal and provincial Ministers. A coordinating committee composed of one federal representative and one from the province is responsible for the day-to-day operations of the agreement, including supervision of project teams for each of the projects included in the agreement.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

TITLE Interim Cape Breton County Development

DURATION January 7, 1977 to March 31, 1978 as amended
July 7, 1977 and November 21, 1977

OBJECTIVES Primarily, to support the development of a viable coal industry at Point Aconi and maximize employment benefits resulting from it.

Secondarily, to foster any other growth that can be achieved in the resource sectors, in tourism and in secondary manufacturing.

BACKGROUND The thing that most distinguishes industrial Cape Breton from other areas with severe economic difficulties is the fact that since the turn of the century it has been predominantly urban. The unemployed person in Sydney faces much the same prospect as the unemployed person in Windsor, Winnipeg or Toronto. Unemployment insurance and welfare are the only alternatives to employment. In Sydney, one cannot simply go back to fishing, or plant a large garden to supplement income, do some part-time logging, or work out barter arrangements.

In industrial Cape Breton then, one finds a long-standing urban area which has stagnated economically for more than two decades. This has brought about some unique social problems. It has resulted in a public sector starved for funds and basic urban services which are deficient through lack of investment and, in general, some of the worst urban blight in Canada.

(a) Physical Description of the Area

Industrial Cape Breton is a term used to describe the urban parts of Cape Breton County. It usually refers only to the city of Sydney and the six incorporated towns in Cape Breton County: Glace Bay, Dominion, New Waterford, Sydney Mines, North Sydney and Louisbourg. However, since the bulk of the county population lives in the incorporated communities, and because an important potential industrial site at Gabarouse Bay is in the rural part of the county, the term industrial Cape Breton is considered

synonymous with Cape Breton County for the purposes of this agreement.

(b) The Economy

Many things have contributed to the economy of this area in recent times. Port activity related to Newfoundland and to Saint-Pierre-et-Miquelon, a significant inshore and offshore fishery, some agriculture and some forestry have all been factors. But the primary industries of farming, forestry and fishing provided less than 2% of total employment in Cape Breton County in 1971. Manufacturing is relatively unimportant to the industrial Cape Breton economy accounting for only 17.5% of the labour force (including SYSCO). Most of the firms are small and consist primarily of service industries serving local markets. There is very little industrial diversification, and the earlier dominance of Dominion Steel and Coal Corporation has minimized the establishment of linkage industries or the provision of supporting technical services for the industry. There is no doubt, however, that the regional economy has been and still is based on two key industries -- coal and steel. These industries spawned the urban centres and their difficulties and decline caused the overall economic stagnation of the past quarter century.

(c) Steel

The steel industry first came to Cape Breton to take advantage of supplies of coal from Nova Scotia and iron ore from Newfoundland (Bell Island). As these supplies became increasingly unimportant and uncompetitive, and as distance from major markets, poor integration with the rest of the steel industry, financial weakness, low productivity, and mismanagement all took their toll, the steel operation became less and less viable. In 1952, employment in steel was 5 800. It declined to 3 500 by 1961 and by 1967 was down to roughly 3 000.

In 1967, the operator, Dominion Coal and Steel Ltd. (DOSCO) abandoned the plant, and the provincial government assumed ownership, changing the name to Sydney Steel Corporation (SYSCO). Since then the government has steadily lost money (in real terms). The existing plant is not capable of producing

steel at competitive prices and the same factors which caused problems for DOSCO make it difficult for the government to invest enough in the plant to achieve the volume production required to make the plant competitive. At the moment the prospects for the existing plant are not good since even if the government is willing to continue to absorb losses the plant cannot physically hold out for many more years without substantial new investment. The best hope for the steel industry appears to be for a new plant.

(d) Coal

The coal industry has been historically the second, and in many ways the most important, economic pillar of the area. Coal employment peaked during World War I at 14 000 jobs. Since that time employment declined to between 10 000 and 12 000 in the 1930s and 1940s; to 8 000 by 1961; to 6 000 in 1967; and to 3 750 at present.

In 1967, DOSCO pulled out of the coal industry in Cape Breton and the federal government assumed responsibility for the mines. The Cape Breton mines had other problems which exacerbated an already difficult situation. The mines became increasingly uncompetitive because of the problems inherent in mining coal three to four miles out under the sea, as well as problems with the quality of the coal. Management of the mining operations was less than adequate and the operations were characterized by labour unrest.

The original intention of the federal Cape Breton Development Corporation (DEVCO) was to gradually phase out the coal industry and provide alternative employment by promoting and developing other economic activity. This objective has since been changed to one of stabilizing the coal industry. In fact, there appears to be every chance that because of market and technological changes it will be possible to create an economically viable industry by the end of this decade.

(e) Labour Force

As a result of the narrow and declining economic base of the area, the rest of the economy has also been relatively sluggish. Thus the unemployment rates have been very high over the years and are now critical.

DEVELOPMENT
OPPORTUNITIES

In the midst of a generally bleak economic picture there appear to be some specific opportunities, possibly the first key building blocks of a sound economic structure. The possibility of a new steel mill in the area is obviously critical, but the prospects for the coal industry are also more promising than they have been for decades.

DEVCO recently began operating the new \$12-million Prince Mine at Point Aconi, near Sydney Mines. This replaces the obsolete and uneconomic Princess Mine in Sydney Mines. This new mine will employ a minimum of 370 people for at least the next 25 to 30 years. The mine was built with money raised commercially and is expected to be economically and commercially self-sustaining.

The new mine is some distance from Sydney Mines and the rail line. The cost of bringing a rail line to it would be prohibitive. The coal must be trucked to the wash plant at Sydney Mines. From there 400 000 tons a year will go by CN rail to the power station at Trenton. The other half of the output (when this reaches its designed 800 000 ton-a-year level, starting January 1977) will go by the DEVCO railway to the Southside of Sydney Harbour.

The second half of the supply is critical to the Nova Scotia Power Corporation's recent decision to build a new generating plant on the south side of the harbour. That plant is intended for operation in 1979. Meanwhile, the Prince coal will be blended with Southside coal for other industrial uses and for export from DEVCO's Sydney shipping facility.

The urgency of obtaining full production and associated employment from the Prince Mine has been greatly increased by adverse developments in the steel sector of the Cape Breton economy. Hopefully, this may prove to be a lull before new steel investment is undertaken. It is economically sensible, just as much as it is socially beneficial, to get coal and power developments completed in the meantime.

The proposed roads are critical to these developments.

ELEMENTS

(a) New Road - Prince Mine to Trans-Canada Highway

Five miles of new highway from Prince Mine to Trans-Canada Highway, parallel to existing Point Aconi Road.

(b) Roads - Highway 4

Upgrading Highway 4 from Highway 125 to the preparation plant access road at Victoria Junction.

(c) Trans-Canada Highway to Wash Plant - Sydney Mines

Reconstruction of road into Sydney Mines and new road to wash plant within Sydney Mines.

FINANCIAL PROVISIONS

The following is a list of projects the province will carry out under this interim agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|----------------------|---------------------------------|-----------------------------|---------------------------------|
| New Point Aconi Road | \$2 600 000 | \$ 780 000 | \$1 820 000 |
| Highway 4 | 1 200 000 | 360 000 | 840 000 |
| Sydney Mines Roads | <u>500 000</u> | <u>150 000</u> | <u>350 000</u> |
| TOTAL | \$4 300 000 | \$1 290 000 | \$3 010 000 |

ADMINISTRATION AND MANAGEMENT

The management committee for this agreement will consist of an equal number of representatives from the federal and provincial governments. An administrative committee will be established at the working level to prepare project briefs, cash flow estimates, to identify problems and generally to ensure that the agreement is implemented effectively.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

TITLE Forestry

DURATION June 28, 1977 to March 31, 1982 (retroactive to April 1, 1977) as amended July 14, 1977

OBJECTIVES To maintain the existing aggregate employment based mainly on the softwood species and to increase employment opportunities and incomes in timber harvesting and processing, based mainly on the hardwood species.

BACKGROUND Land ownership patterns in Nova Scotia, highlighted by small parcels owned by many private owners, sharply contrasts with Canadian patterns where 91% of all productive forest is Crown land. This Nova Scotia characteristic presents special problems for consideration in developing integrated resource management programs. Merchantable volumes of growing stock derived from recent inventory information indicates that of 92 million cunits of growing stock, 22% is on provincial Crown land and 78% is on private land. Average capability of forest land for timber production, based on good forest management and other assumptions, could eventually allow harvesting and processing of 2 to 3 times more timber.

In 1967, small ownerships produced 59% of the total harvest and only 39% in 1975. The declines in pulpwood production were more pronounced, from 64% to 38%. Although the output from large ownerships and Crown land has made up for this decline, large private owners cannot long sustain their present production level. In addition, many small ownerships are now producing a fraction of the yield of the forest products that they could produce.

Other trends and problems, beyond physical accessibility and related fragmented ownership patterns, indicate softwood species overcutting by 10% to 20% while hardwood cuts may be at only one-third of their potential. Insect infestation in decadent, overmature/mature timber has reached serious proportions in Cape Breton Island and other areas.

To achieve the objectives, programs have been identified to permit expansion of employment in harvesting and manufacturing based mainly on hardwoods. Future supply of suitable timber is ensured through more effective management of private and public lands.

ELEMENTS

There are four major elements to the strategy involved in this sub-agreement.

(a) Forest Management

The immediate goal of this program is to increase productivity on all classes of forest land holdings, improve physical access, and reduce diseconomies attributable to fragmentation and scale. To achieve these goals, separate projects for forest management on private lands and Crown lands, group management and spruce budworm salvage have been developed.

(b) Forest Industry Development

- (i) To fully explore potential markets, identify possible manufactured products and locate areas for hardwood-based industry development.
- (ii) To encourage future profitability of the sawmilling segment by encouraging larger and more efficient plants and equipment, by increasing the recovery of usable material, and improving safety and working standards.

(c) Support Services

To ensure successful implementation of the forest management and forest industry development programs requires a number of support services. These consist of refinements to the resource data base, organization of forest management crews, and the establishment of consulting foresters.

(d) Education, Public Information and Evaluation

Lack of knowledge and understanding of forest management, harvesting and timber utilization is a contributing factor in the generally low productivity of private forest lands, and harvesting and processing waste. Activities

are required to overcome these barriers and ensure proper and adequate information is communicated to land owners and industry. A manual of good forest practice will be published under the planning agreement to assist this communication process. Ongoing evaluation is also necessary in this total process.

FINANCIAL PROVISIONS The following is a list of programs the province will arrange to carry out under this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Forest Management | \$23 436 000 | \$4 687 000 | \$18 749 000 |
| Forest Industry Development | 900 000 | 300 000 | 600 000 |
| Support Services | 599 000 | 244 000 | 355 000 |
| Education, Public Infor- mation and Evaluation | <u>635 000</u> | <u>127 000</u> | <u>508 000</u> |
| TOTAL | \$25 570 000 | \$5 358 000 | \$20 212 000 |

ADMINISTRATION AND MANAGEMENT Management of this agreement is by a management committee composed of two representatives from the federal government and two from the province, as designated by the respective Ministers. A coordinating committee composed of two federal representatives and two from the province is responsible for the day-to-day operations of the agreement, including supervision of project teams for each of the projects included in the agreement.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

TITLE Tourism Development

DURATION June 28, 1977 to March 31, 1982
 (retroactive to April 1, 1977)

OBJECTIVES The objective of this agreement is to create employment opportunities and increase incomes by further developing the tourism industry in Nova Scotia.

BACKGROUND The task of encouraging and creating new employment opportunities in the less developed areas of Canada is substantial. One sector which does have potential employment opportunities for non-urban areas, however, is the travel industry.

 The Royal Commission on Canada's Economic Prospects made the following observations about the relationship of the travel industry to economic development: "The tourist business is of special importance as a possible avenue of economic development for so-called problem areas. Many parts of Canada that are the least promising agriculturally, industrially, or in terms of, say, mineral resource possibilities, are the most promising for recreational development."

 Several changing socio-economic factors imply that the travel industry will continue to be a growth industry. Increasing population, increasing disposable income, rapid urbanization, increased leisure time consequent on the reduction of the work day, work week, and work life; more advanced education; and increased ownership of complementary goods such as automobiles all imply that the demand for travel will continue to increase. Although the proportion of the total population taking vacation trips has increased, there is still a large untapped market. In 1975 only 63% of all Canadian adults took a vacation trip while in the Atlantic Provinces only 57% of all adults took a vacation trip.¹

¹Canadian Government Office of Tourism, "Vacation Trends by Canadians".

The travel industry is made up of two basic elements; "extra muros" travel which is a product of the travel of people from outside the region (Nova Scotia) and "intra muros" travel which results from travel within the region by residents of the region. Extra muros travel results in an injection of money into the economy of a region while intra muros travel has an import substitution effect. The travel industry, particularly as an export industry, can contribute significantly to raising the level of output, income and employment in Nova Scotia.

The total direct value of expenditures on travel in Nova Scotia in 1975 was approximately \$300 million. Of this amount, approximately \$48 million was spent on accommodation; \$85 million on food and beverages; \$108 million on transportation; \$9 million on entertainment and recreation; and \$49 million on other goods and services. Total travel expenditures in Nova Scotia in 1975 directly created \$27.6 million in provincial tax revenue; \$5.6 million in municipal tax revenue; and \$26.5 million in federal tax revenue. These expenditures created approximately 12 000 direct full-time job equivalents and approximately 13 000 indirect and induced full-time job equivalents in Nova Scotia. Travel industry related employment accounted for approximately 9% of total employment in Nova Scotia in 1975.

Value-added in the travel industry (wages and salaries, supplementary labour income and return on investment, interest and rent) in 1975 was \$100 million. Compared to the goods-producing industries, the travel industry ranks behind the manufacturing and construction industries but ahead of the resource industries of agriculture, fishing, forestry and mining.

Recognizing the importance of the travel industry to Nova Scotia, the provincial Department of Tourism adopted a policy and strategy for developing the tourism industry of Nova Scotia in 1975. This agreement is intended to facilitate implementation of certain elements of this policy, largely those related to generating income and employment opportunities. Other elements of the provincial policy and strategy will be undertaken by the Department of Tourism on its own or in cooperation with other provincial departments.

(a) Increase the Length of the Tourist Season

Traditionally, the tourist season in Nova Scotia has been viewed by visitors and residents alike as embracing only the months of July and August. Past efforts to promote a longer season have met with only modest success. Psychologically, people are conditioned to think of summer as ending on Labour Day when in fact the Maritimes enjoy relatively warm weather well into the autumn. To increase the length of the tourist season requires, among other things, the keeping of seasonal accommodation and tourist attractions open for a longer period; the provision of new attractions, events and entertainment of suitable locations; provision of indoor activities to meet off-seasonal weather conditions; and the coordination of advertising, marketing and other efforts designed to create bus tour, group business and individual packages for the extended season.

(b) Extend the Stay of Travellers who Come to Nova Scotia

Tourists often do not stay in Nova Scotia as long as could be wished, even though the average length of stay has increased slightly since 1971. The development of regional destination areas and improvements in the travelway system should have the effect not only of dispersing visitors more evenly throughout the province but also of persuading them to stay longer. The provision of better quality accommodation and food services and of increased activities throughout an extended season should also help extend the stay of travellers and disperse them more evenly.

(c) Increase the Amount of Money Spent per Traveller Per Day

The percentage of the tourist dollar spent on purchases and entertainment in Nova Scotia is less than one would expect on the basis of experience elsewhere. Whatever the cause, one result is that the multiplier effect of tourism is lower than it could be. Research of visitor preferences suggests that next to sight-seeing, shopping is the most popular activity, and that low spending is the result primarily of lack of spending opportunities.

Clearly there is a need to improve the number and distribution of entertainment and recreational facilities and of suitable retail outlets for handcrafts and other items of interest to visitors.

(d) Distribute Travel Expenditures Geographically According to Opportunities for Profitable Investment and the Need of Areas for Income and Employment Opportunities

Geographical distribution of tourists throughout the province has tended to be very uneven, with some areas experiencing an overflow in peak season and others too few to be of real economic benefit. Some areas have not developed their attractions sufficiently to generate investment in accommodation and facilities and, therefore, benefit very little from visitors passing through. The rural areas, unfortunately, have suffered the most in this respect.

A more even diffusion of visitors throughout the province will facilitate more equitable distribution of the economic benefits associated with the travel industry. Specifically, this agreement will attempt to stimulate increased tourist expenditures at designated areas within rural Nova Scotia.

(e) Increase the Total Number of Visitors

Obviously, an increase in the total number of visitors to Nova Scotia is an important element of a tourism strategy. This is, however, but one element which must be carefully planned. An increase in the number of visitors during peak periods or in areas which have already reached the saturation point can create problems. The aim, therefore, is to increase the number of visitors in those areas which can accommodate more tourists, and at the time of the year when occupancy rates are low. Consequently, this part of the strategy is closely related to the geographical distribution of tourists and to increasing the length of the tourist season.

FINANCIAL
PROVISIONS

Two programs have been included in this agreement. The first program encompasses various province-wide projects aimed at promoting the tourist industry within Nova Scotia, improving the efficiency of the industry, expanding the industry where possible and desirable, and extending the tourist season. The second program relates directly to the development of designated destination areas through projects designed to construct or expand major attractions, provide suitable attractions for day trips, and coordinate planning, promotion and implementation efforts within the destination areas.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Tourism Development - General | \$ 5 220 000 | \$1 044 000 | \$ 4 176 000 |
| Tourism Development - Destination Areas | <u>8 530 000</u> | <u>1 706 000</u> | <u>6 824 000</u> |
| TOTAL | \$13 750 000 | \$2 750 000 | \$11 000 000 |

ADMINISTRATION
AND MANAGEMENT

The appropriate federal and provincial Ministers shall designate one or more senior officials in equal number to be responsible for the administration of this agreement. These officials shall constitute the management committee.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Sydney Steel Corporation Assistance Program |
| DURATION | December 23, 1977 to March 31, 1979 (retroactive to August 1, 1977) |
| OBJECTIVES | To assist the province to maintain employment levels at SYSCO through the provision of capital programs and concurrently to seek to identify opportunities for steel and employment in the Sydney area through jointly conducted analytical studies and a medium-term business strategy. |
| BACKGROUND | <p>Due to a continued depression of world steel markets, the development of a new major steel complex, under the Nova Scotia Cansteel initiative, has been delayed, exerting pressures to deal with SYSCO immediately.</p> <p>The Nova Scotia government has endured continuing losses at SYSCO, in 1976-77, approximately \$46 million and an estimated \$50 million in 1977-78. The possibility exists that the inefficient steelmaking operations in Sydney will be shut down and the community's economic base virtually destroyed. Since the plant has also deteriorated there is the additional possibility of plant shutdown because of equipment failure.</p> <p>Given the inherent nature of the General Development Agreement with Nova Scotia, the assistance program affords an opportunity to assist the province to maintain 2 200 jobs, and to facilitate the preparation of a medium-term business plan, to select a realistic course of action for SYSCO into the mid-80s based on a balanced strategy.</p> |
| ELEMENTS | <p>The two key elements of the subsidiary agreement relate to:</p> <p>(a) Capital Works:</p> <ul style="list-style-type: none">- activation of continuous caster and material handling of slabs;- upgrading of steel-making facilities and coke ovens;- improvements in the rolling mills; and |

- control equipment.

(b) Business and Planning Studies:

- market studies;

- engineering studies; and

- analytical studies and corporate planning assistance.

FINANCIAL
PROVISIONS

The cost of the program is shared on the following basis.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|----------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Capital Works | \$18 000 000 | \$3 600 000 | \$14 400 000 |
| Business and Planning Studies | <u>1 500 000</u> | <u>750 000</u> | <u>750 000</u> |
| TOTAL | \$19 500 000 | \$4 350 000 | \$15 150 000 |

ADMINISTRATION
AND MANAGEMENT

A management committee, consisting of federal and provincial co-chairmen and one federal and one provincial member, is supervising the implementation of the sub-agreement. The two elements of the program are managed by program management groups, each composed of one representative from DREE, one from the province and one from SYSCO.

NEW BRUNSWICK

NEW BRUNSWICK

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) with New Brunswick was signed April 23, 1974, by the Minister of Regional Economic Expansion and the Premier of New Brunswick.

The primary objective of this agreement is to reduce the gap in earned income per capita between that province and Canada as a whole. A further objective is that per capita incomes should be raised while minimizing net migration from the province. To meet these objectives, development strategy is aimed at achieving a faster rate of growth in provincial output by raising productivity, increasing the number of viable employment opportunities, and encouraging the development of a skilled and versatile labour force.

Specific strategies to be employed to meet the objectives include:

- (a) the identification, pursuit and realization of development opportunities through the coordinated application of relevant federal and provincial programs;
- (b) the joint funding of infrastructure required to support development opportunities as well as to facilitate broader community and area development;
- (c) for resource-based industries, to raise incomes through greater productivity and maintenance of employment by increased output of primary products. A major element of this strategy will be to encourage the processing in New Brunswick of natural resources now exported in raw form and the production of higher-value products. Resources of concern are: agriculture, forestry, minerals and fish;
- (d) in recent years manufacturing not directly based on natural resources had increased its share of employment in New Brunswick, with some diversification into product lines new to the province. The further diversification of the manufacturing base into items of higher value requiring modern technology and skilled labour will continue to be of high priority in the development strategy; and
- (e) tourist activity provides provincial residents with a valuable source of income and employment. The development strategy will focus on the most effective means by

which residents of New Brunswick can benefit from the increasing flow of travellers and visitors to the province.

Summaries of currently active sub-agreements follow.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Agricultural Development |
| DURATION | February 17, 1975 to March 31, 1978 as amended March 24, 1976, November 8, 1976, November 9, 1976, February 11, 1977 and September 19, 1977 |
| OBJECTIVES | To encourage increased employment opportunities, higher income levels and improved job stability for people working in agriculture and related industries, to maintain a higher level of product quality and to further expand production from the agricultural sector. |
| BACKGROUND | <p>In order to achieve the above objectives, a number of measures will be required, including the following:</p> <ul style="list-style-type: none">(a) measures to ensure a fuller utilization of the existing land, labour and capital resources in each region of the province;(b) measures to stimulate fuller exploitation of market opportunities, both domestic and export;(c) measures to enhance the industry's ability to consult with government on the establishment of development goals and identification of possible development initiatives; and(d) measures to provide the support and develop- mental assistance required to implement the strategy. <p>The terms of this subsidiary agreement were developed by a task force comprised of represen- tatives from DREE, Agriculture Canada, New Brunswick Department of Agriculture and the New Brunswick Provincial Cabinet Secretariat. It was signed by the federal Ministers of DREE and Agriculture, the Premier of New Brunswick and the New Brunswick Minister of Agriculture and Rural Development.</p> |
| ELEMENTS | <p>There are four program elements under this sub-agreement.</p> <ul style="list-style-type: none">(a) Planning and Development Program - which is designed to provide a provincial agricultural |

policy and planning framework within which development opportunities may be elaborated by government, individuals and commodity groups, and to support research and studies designed to identify specific employment opportunities with the agricultural sector.

- (b) Development Opportunities Program - which is designed to provide the financial assistance required to stimulate the development of those agricultural commodities for which New Brunswick enjoys a comparative advantage on either the provincial or export market.
- (c) Entrepreneurial Development Program - which is designed to provide opportunities for participants to consult with government in shaping policy and programs and to encourage and influence entrepreneurs to develop opportunities in the sector.
- (d) Implementation Support Program - which is designed to provide the financial assistance required to administer and implement the activities of the sub-agreement.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Planning and Development | \$ 1 386 900 | \$ 277 380 | \$1 109 520 |
| Development Opportunities | 7 235 800 | 1 447 160 | 5 788 640 |
| Entrepreneurial Development | 1 926 825 | 385 365 | 1 541 460 |
| Implementation Support Program | <u>1 291 450</u> | <u>258 290</u> | <u>1 033 160</u> |
| TOTAL | \$11 840 975 | \$2 368 195 | \$9 472 780 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a management committee consisting of equal numbers of representatives of each government, designated by the respective federal and provincial Ministers. Federal participants are from DREE and Agriculture.

NEW BRUNSWICK
SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Forestry |
| DURATION | February 17, 1975 to March 31, 1979 as amended February 27, 1976 and March 31, 1977 |
| OBJECTIVES | To mount a comprehensive province-wide forestry development program that would increase production of high quality timber and expand the wood-processing industry, thus improving employment and earning opportunities for local people. |
| BACKGROUND | <p>The programs and projects to be carried out under this forestry sub-agreement are based on the results of the New Brunswick Forest Resources Study, the product of a separate federal-provincial agreement made in March, 1972. To realize the full potential for timber production and significantly expand processing capacity, it will be necessary to improve the management of public and private forest lands. Priority has been placed upon the development of an increased wood supply of improved quality which can be produced and sold on the domestic and world markets at competitive prices. To achieve this objective, effective resource allocation, more complete utilization and an improved wood delivery system will be necessary.</p> <p>The agreement provides for major development efforts to be undertaken on a pilot basis in the Bathurst region which will test, under operational conditions, new policies for wood allocation and new techniques in forest management and harvesting.</p> <p>Approximately one-half of the funds provided under the agreement are devoted to intensified forest management. This will include the development of better forest management information; the expansion of forest nursery activities; increased tree planting and stand improvement; the development of an integrated network of forest roads; the testing of spruce budworm control concepts; and the development of other uses of the forest resource, including recreation. In addition, steps will be taken to encourage increased productivity and output from private woodlots.</p> |

Other programs are focused on increasing resource utilization through the adoption of more efficient harvesting techniques, improved transportation facilities and industrial development. Within the pilot area, a serviced industrial site for a wood industries complex is being established.

To support these initiatives, the agreement includes programs for the provision of an adequate supply of well trained labour, the provision of professional and technical services and the design of an institutional facility to accommodate forest resource-oriented education, research and administrative activities.

This sub-agreement was signed by the Minister of DREE, the Premier of New Brunswick and the New Brunswick Minister of Natural Resources.

ELEMENTS

There are five program elements under this sub-agreement.

- (a) Forest Management - which covers such subjects, as: woodlands inventory, silviculture, Crown land consolidation, resource protection, multiple-use development, arterial road system, private woodlot management.
- (b) Resource Utilization - which deals with: forest harvesting, equipment loan fund, industrial development, transportation.
- (c) Manpower Development - including studies of problems of recruiting, supply, demand, working conditions, rates of pay, benefits and training as well as education and research.
- (d) Administration - to cover costs of staff expenses and related equipment, the planning and design of new facilities and other associated costs.
- (e) Pilot Project - to provide assistance for establishing and maintaining a management team, to assist in the purchase of assets, and to contribute to the cost of site preparation and servicing.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|-------------------------|---------------------------------|-----------------------------|---------------------------------|
| Forest Management | \$44 491 200 | \$ 8 898 240 | \$35 592 960 |
| Resource Utilization | 4 757 550 | 951 510 | 3 806 040 |
| Manpower Development | 2 663 400 | 511 980 | 2 130 720 |
| Administration | 1 627 250 | 325 450 | 1 301 800 |
| Pilot Project | <u>4 489 600</u> | <u>897 920</u> | <u>3 591 680</u> |
| TOTAL | \$58 029 000 | \$11 605 800 | \$46 423 200 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a management committee consisting of equal numbers of representatives of each government, designated by the respective federal and provincial Ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

TITLE Industrial Development

DURATION February 17, 1975 to March 31, 1979 as amended February 11, 1977

OBJECTIVES To expand, diversify and strengthen manufacturing and processing activities in the province. Specifically, it will seek to diversify manufacturing into higher-value products requiring modern technology and skilled labour, and to encourage the establishment of industries based on the province's natural resources or its strategic Maritime location.

BACKGROUND Major portions of the funds provided under the agreement are devoted to opportunity identification and promotion and provision of industrial infrastructure. This includes provision of facilities, equipment and services required to carry out experimental manufacturing enterprises for industrial locations or expansions; acquisition and servicing of industrial sites in areas where there is a significant demand for industrial land; and the provision of finished factory space and related facilities supplying central administrative and technical services simultaneously to several manufacturers wishing to produce new products. Other initiatives are directed toward the formulation, monitoring and evaluation of industrial development policies and programs and the planning of technical and impact studies related to specific industrial development opportunities and projects.

This sub-agreement was developed in consultation with the federal departments of Finance, and Industry, Trade and Commerce, and with various provincial departments. It was signed by the Minister of DREE, the Premier of New Brunswick, and the New Brunswick Minister of Economic Growth.

ELEMENTS There are four program elements under this sub-agreement.

- (a) Planning of Industrial Development - under which funds will be provided for a small

staff and other services for a planning and programming unit to be established in the New Brunswick Department of Economic Growth. Planning studies will also be supported.

- (b) Regional Industrial Development - under which funds will be provided for the establishment of regional industrial development commissions in a number of regions, together with the funding of additional provincial staff required to assist the commissions.
- (c) Assistance to Manufacturing Industry - which involves investment in buildings and equipment and initial operating expenditures to carry out experimental manufacturing and marketing on a scale intermediate between pilot and full production. Sales of products and patents might generate some revenue, which would be shared between the governments in the same proportions as the funding.

Also included in this element is the provision of factory space when necessary to assist manufacturing enterprises to become established.

A program of aid to small industries provides forgivable loans for new construction or expansion in certain counties.

- (d) Provision of Industrial Infrastructure - under which funds will be provided for: the acquisition and servicing of industrial sites; creation of an industrial mall in which space will be rented; and the funding of other industrial infrastructure at as yet unidentified sites if necessary to promote investment by private industry.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Planning of Industrial Development | \$ 5 313 000 | \$1 062 600 | \$ 4 250 400 |
| Regional Industrial Development | 5 307 250 | 1 061 450 | 4 245 800 |
| Assistance to Manufacturing Industry | 6 267 500 | 1 253 500 | 5 014 000 |
| Provision of Industrial Infrastructure | <u>13 340 000</u> | <u>2 668 000</u> | <u>10 672 000</u> |
| TOTAL | \$30 227 750 | \$6 045 550 | \$24 182 200 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a management committee consisting of equal numbers of representatives of each government, designated by the respective federal and provincial Ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Kent Region Pilot Project |
| DURATION | February 17, 1975 to March 31, 1980 as amended February 11, 1977 |
| OBJECTIVES | To undertake a pilot project which would assist residents of the Kent Region (Kent County and Hardwick and Rogersville Parishes in Northumberland County) in developing and implementing projects in fisheries, forestry, agriculture, resource-based manufacturing, tourism and recreation, in order to improve income and employment opportunities in the region and to gain experience which could be usefully applied in other areas of Canada. |
| BACKGROUND | <p>Although the Kent Region is presently characterized by high unemployment and low income, it has potential for substantial economic expansion. A variety of organizations, including New Brunswick NewStart, regional development groups and federal and provincial agencies, have studied development possibilities in the Kent Region. Among development opportunities identified to date are: increasing production and processing of agricultural products; increasing returns from regional forests through improving their management and increasing local value-added; developing Christmas tree stands; expanding tourist facilities based on the scenic and historic resources of the area and the growth of Kouchibouguac National Park; increasing returns from the fisheries and increasing the locational advantages to attract manufacturing activity in parts of the region.</p> <p>One of the most promising aspects of the Kent situation is the interest and initiative of the local people, who may be encouraged to capitalize on area potential. To facilitate this, measures must be taken to encourage interested individuals or groups in exploring opportunities and, where possible, assisting them in obtaining necessary information, technical guidance and capital to pursue opportunities.</p> <p>This sub-agreement was signed by the Minister of DREE and the Premier of New Brunswick.</p> |

ELEMENTS

The main program elements of this agreement are:

- (a) Resource Development and Technical Support Program - which will involve providing financial assistance to projects as they become ready, as well as providing technical and marketing guidance, and studying selected sectors, such as agriculture, forestry, fishery, and tourism; a small industry development program is also included.
- (b) Infrastructure Program - which involves funding municipal services and other facilities in communities where a lack of such facilities is demonstrated to be hindering economic expansion.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|-----------------------------|-------------------------|-----------------------------|
| Resource Development and Technical Support | \$4 985 250 | \$ 997 050 | \$3 988 200 |
| Infrastructure | 1 782 500 | 356 500 | 1 426 000 |
| Program Administration | <u>983 250</u> | <u>196 650</u> | <u>786 600</u> |
| TOTAL | \$7 751 000 | \$1 550 200 | \$6 200 800 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a management committee consisting of equal numbers of representatives of each government, designated by the respective federal and provincial Ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Saint John and Moncton Arterial Highways |
| DURATION | February 17, 1975 to March 31, 1979 as amended December 16, 1975 and December 13, 1977 |
| OBJECTIVES | To complete the work begun under earlier Special Areas agreements on arterial roads required to improve the transportation of goods and people within Saint John and Moncton, and thus contribute to the further development of these major growth communities. |
| BACKGROUND | <p>This subsidiary agreement upholds a joint commitment by both governments to continue construction of the following major urban arterial roads: Wheeler Boulevard in Moncton, the Shediac Highway, and the Saint John Throughway.</p> <p>Construction was initiated under the Canada-New Brunswick Special Areas Agreement under which DREE contributed \$5.5 million towards the cost of constructing Wheeler Boulevard, and \$19.8 million toward construction costs and a further \$6.7 million in loans for land acquisition on the Saint John Throughway. The western section of the throughway was opened last fall.</p> <p>Sections of Wheeler Boulevard between St. George Street and Mountain Road have been completed. Last November, the city of Moncton and Canadian National Railways agreed upon the desirability of relocating rails from the city centre to an area north of the Trans-Canada Highway. In consequence, design and construction can now proceed on the eastern sections of Wheeler Boulevard between Mountain Road and Church Street.</p> <p>Construction will proceed on the eastern section of the Saint John Throughway between the Harbour Bridge and the MacKay Highway; on Wheeler Boulevard between St. George and Church Streets, including related road connections; and on the Shediac Highway from the Trans-Canada Highway to Floral Avenue in Moncton.</p> |

These urban arterial highways will make a significant contribution towards economic and socio-economic development in these larger metropolitan areas of the province.

This sub-agreement was signed by the Minister of DREE, the Premier of New Brunswick and the New Brunswick Minister of Highways.

ELEMENTS

(a) Saint John Throughway

To complete the design and construction of certain portions of a limited access throughway in the city of Saint John from the eastern end of the Harbour Bridge to MacKay Highway.

(b) Wheeler Boulevard

To complete the design and construction of portions of a limited access four-lane regional arterial highway as a ring route around the Moncton urban area and certain related connecting roads to the Trans-Canada Highway and south shore communities.

(c) Shediac Highway

To complete the design and construction of a four-lane Shediac to Moncton highway from the Trans-Canada Highway to Floral Avenue.

FINANCIAL PROVISIONS

In the listing of maximum expenditures, the costs of Wheeler Boulevard and the Shediac Highway are combined.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Saint John Throughway | \$20 200 000 | \$ 6 060 000 | \$14 140 000 |
| Wheeler Boulevard and Shediac Highway | <u>24 500 000</u> | <u>7 350 000</u> | <u>17 150 000</u> |
| TOTAL | \$44 700 000 | \$13 410 000 | \$31 290 000 |

ADMINISTRATION AND MANAGEMENT

Supervision will be carried out by a management committee consisting of equal numbers of representatives of each government, designated by the respective federal and provincial Ministers.

NEW BRUNSWICK
SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Planning |
| DURATION | December 16, 1975 to March 31, 1980 (retroactive to April 1, 1975) |
| OBJECTIVES | <p>The objective of this agreement is to provide federal and provincial funds required to acquire external staff and services to undertake studies and to carry out planning activities required to identify and analyse economic and socio-economic development needs and opportunities in New Brunswick and to develop and implement strategies, programs and subsidiary agreements pursuant to those needs and opportunities.</p> |
| BACKGROUND | <p>In recognition of the need to reinforce and supplement the provincial government's planning capability in order to better identify and analyse socio-economic development opportunities in New Brunswick, the process to develop a planning subsidiary agreement under the GDA was undertaken.</p> <p>While other subsidiary agreements provide assistance for the planning of activities in various sectors and for specific developments, this agreement will supplement the resources available to Canada and the province to meet planning and coordination requirements which are beyond the scope of other subsidiary agreements.</p> |
| ELEMENTS | <p>It will provide funds to acquire external professional services in order to carry out the following tasks:</p> <ul style="list-style-type: none">(a) general development planning to determine best allocation of resources under the GDA;(b) research and studies to investigate potential opportunities prior to their consideration as subjects for subsidiary agreements;(c) planning of physical development to demonstrate development and economic change in an orderly manner; and(d) coordination of the activities under each subsidiary agreement to permit reaction to |

changing circumstances and adjustment of
program priorities where necessary.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|-------------------------|---------------------------------|-----------------------------|---------------------------------|
| | \$4 875 000 | \$2 437 500 | \$2 437 500 |

ADMINISTRATION AND MANAGEMENT The overall management of this agreement will be the responsibility of the management committee consisting of an equal number of representatives of each government, designated by the respective federal and provincial Ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Tourism Development |
| DURATION | December 16, 1975 to March 31, 1978 as amended October 28, 1977 |
| OBJECTIVES | <p>To encourage development of the New Brunswick tourism sector and improve productivity in the industry by increasing tourism spending in New Brunswick through:</p> <ul style="list-style-type: none">(a) increased number of visitors;(b) lengthening the average tourist visit; and(c) expanding tourist activities in the shoulder and winter months. |
| BACKGROUND | <p>Tourism activities currently make an important contribution to employment and incomes in New Brunswick. In 1973, about 48% of all travel expenditures in the province were attributable to non-resident tourists, while a further 15% of travel expenditures were attributable to resident tourists. Hence approximately 63% of the total 1973 travel expenditures of \$125 million can be attributed to tourists, making tourism activities a significant contributor to the 14 900 man-years of employment and \$49 million of household income generated by the province's travel industry in 1973.</p> <p>Based on expected continued growth in the demand for the type of attractions that New Brunswick can offer tourists, there is considerable potential for the expansion of the province's tourism sector. By undertaking measures to promote and develop existing and potential attractions, and measures to encourage increased private sector participation in tourism-related ventures, it is expected that the extent to which the growing tourism demand is captured in the province can be significantly increased.</p> <p>To expand the tourism industry in New Brunswick, one of the principal requirements is to induce visitors to stay longer. By virtue of its location, New Brunswick is characterized as a "pass through" province in that it attracts a</p> |

large number of tourists who traverse the province en route to destinations in other Atlantic regions. Consequently these visitors spend a relatively small amount of time in New Brunswick and have a disproportionately low average spending rate.

The basis of the approach to the development of the tourism industry in New Brunswick is an interim strategy jointly prepared by the federal and provincial governments which is designed to counteract key problems, such as the traverse phenomenon, over the next three to five years through the use of a "destination area" approach to development. The strategy outlines the kinds of development efforts which will be required to enable destination areas to realize their potential in regard to attractions, services and facilities necessary to draw significant numbers of visitors for overnight and extended stays.

ELEMENTS

There are two program elements under this sub-agreement:

- (a) Essential Resource Services - which are designed to supplement the resources available for the planning, development and coordination of the New Brunswick tourism industry and to provide resources in the areas of planning, financial assistance and land acquisition to complement the infrastructure program; and
- (b) Infrastructure - which is designed to increase the level of expenditure by tourists and visitors to the province through the provision of necessary tourism infrastructure such as visitor orientation centres, beach redevelopment, construction of a major handcraft centre and development of a provincial hospitality school.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Essential Resource Services | \$ 5 922 500 | \$1 184 500 | \$4 738 000 |
| Infrastructure | <u>5 479 750</u> | <u>1 095 950</u> | <u>4 383 800</u> |
| TOTAL | \$11 402 250 | \$2 280 450 | \$9 121 800 |

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a management committee consisting of equal numbers of representatives of each government, designated by the respective federal and provincial Ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

TITLE Minerals and Fuels Development

DURATION June 24, 1976 to March 31, 1981

OBJECTIVES To undertake measures directed towards the attainment of maximum economic and socio-economic net benefits from the mineral resources of New Brunswick while ensuring the maintenance of a high level of environmental quality. This objective will be achieved by:

- (a) the promotion of private investment in both exploration and mine development;
- (b) the encouragement of further processing of indigenous minerals; and
- (c) measures aimed at contributing to national self-sufficiency in fuel supply.

ELEMENTS Financing and Operation

Canada is contributing 80% of the total eligible costs up to an amount of \$9 050 500 in federal funding which includes a 15% contingency allowance. To assist with the interim financing of programs and projects Canada may, if the province so requests, make interim payments to the province of 100% of Canada's share of claims submitted based on estimates of costs actually incurred. There are two programs being implemented under this agreement.

(a) Opportunity Identification

The opportunity identification program provides for: an examination of the development potential of New Brunswick's energy resources; exploration and evaluation of known mineral occurrences which, on the basis of existing resource and market information, have potential for development; exploration in areas where potential land use changes would otherwise preclude mineral developments; and basic geological mapping on a scale sufficient to improve the effectiveness and efficiency of exploration decisions.

(b) Opportunity Development

The opportunity development program provides for resolution of technological problems constraining increased use of the province's mineral and fuel resources; promotion of identified opportunities for increasing mineral and fuel production, value-added, productivity and participation by New Brunswick residents in all phases of their mineral industry; and the construction of transportation routes necessary for mineral and fuel resource development.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|----------------------------|---------------------------------|-----------------------------|---------------------------------|
| Opportunity Identification | \$ 6 310 625 | \$1 262 125 | \$5 048 500 |
| Opportunity Development | <u>5 002 500</u> | <u>1 000 500</u> | <u>4 002 000</u> |
| TOTAL | \$11 313 125 | \$2 262 625 | \$9 050 500 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a management committee consisting of equal numbers of representatives of each government designated by the respective federal and provincial Ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Highways - 1977-80 |
| DURATION | April 1, 1977 to March 31, 1980 (signed February 11, 1977) |
| OBJECTIVES | To facilitate broader community and area development through the provision of financial assistance for highway construction and to simultaneously encourage development in the resource-based industry, secondary manufacturing and service industries through greater efficiency in goods transportation and improved accessibility. |
| BACKGROUND | <p>The scale and nature of the agreement have been determined primarily on the basis of the following elements:</p> <ul style="list-style-type: none">(a) GDA objectives and strategy;(b) national highway policy; and(c) comprehensive economic cost-benefit and development analyses. |
| ELEMENTS | <p>There are nine program elements under this sub-agreement:</p> <ul style="list-style-type: none">(a) construction of the Eel River to Charlo section of Route 11 to complete the Cambellton-Dalhousie by-pass;(b) completion of the Belledune extension of the Bathurst by-pass;(c) reconstruction of Route 11 between Chatham and St. Margarets;(d) continuation of Route 11 relocation north of Shediac by completing the section between Buctouche and Rexton;(e) further upgrading of Route 11 around the Gloucester Peninsula;(f) upgrading of Route 360 between Allardville and Losier Settlement to provide a good central access route for the Peninsula; |

- (g) provision for completion of work initiated and substantially completed by previous highway agreements;
- (h) upgrading appropriate sections of Routes 8 and 17 to improve general northeast access; and
- (i) provisions to allow continued in-depth planning of the highway system.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|----------------------|---------------------------------|-----------------------------|---------------------------------|
| (a) | \$ 8 700 000 | \$ 2 175 000 | \$ 6 525 000 |
| (b) | 8 300 000 | 2 075 000 | 6 225 000 |
| (c) | 5 000 000 | 1 250 000 | 3 750 000 |
| (d) | 13 800 000 | 3 450 000 | 10 350 000 |
| (e) | 8 300 000 | 2 075 000 | 6 225 000 |
| (f) | 2 500 000 | 625 000 | 1 875 000 |
| (g) | 800 000 | 200 000 | 600 000 |
| (h) | 8 000 000 | 2 000 000 | 6 000 000 |
| (i) | <u>600 000</u> | <u>150 000</u> | <u>450 000</u> |
| TOTAL | \$56 000 000 | \$14 000 000 | \$42 000 000 |

ADMINISTRATION AND MANAGEMENT

Supervision will be carried out by a management committee consisting of an equal number of representatives of each government, designated by the respective federal and provincial Ministers. Transport and Public Works will participate on the committee.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Northeast New Brunswick |
| DURATION | June 23, 1977 to March 31, 1982 |
| OBJECTIVES | <p>To improve the long-term well-being and standard of living of residents of northeast New Brunswick (defined as Restigouche and Gloucester Counties and the Parish of Alnwick in Northumberland County) through the increased application of programs which improve the utilization of human and physical resources and accelerate development. The programs will be aimed at the creation of employment, earned income and economic activity.</p> |
| BACKGROUND | <p>Past federal-provincial development efforts in the northeast of New Brunswick found their focus in the FRED agreement (1966-76). The principal objectives of this agreement, as revised in September 1972, were the creation of the greatest number of productive jobs and the improvement of the employability of area residents. Despite the efforts on the part of federal and provincial governments to accelerate the development of the region, the region's economy is still lagging behind that of the rest of the province.</p> <p>The proportion of the population of labour-force age actually employed has declined in recent years and currently is less than four-fifths the provincial average. Low levels of labour-force utilization are the primary factor behind earned income per capita which is currently only two-thirds the provincial average. Also, relative to the rest of the province, the region faces strict constraints including a relatively isolated location, an industrial structure heavily weighted toward the primary industries and low level resource processing, relatively few economic linkages within the region and a low density rural population which lacks a strong urban centre.</p> <p>Nevertheless, significant opportunities to accelerate the development of northeast New Brunswick do exist. Development opportunities include activities which concentrate on the identification and realization of development in</p> |

all sectors, including the primary industries, secondary manufacturing, the service sector, and the resource processing industries.

ELEMENTS

There are six programs in this agreement:

- (a) Industrial Development Program which consists of: providing industrial support services, supporting community business development projects, encouraging industrial development initiatives, promoting industrial and commercial service development, and a program of support for small business;
- (b) Urban-Industrial Infrastructure Program which includes the provision of: industrial and municipal infrastructure, transportation system development, regional and community planning;
- (c) Resource Development Program to facilitate the search and promotion of resource industry development opportunities, to assure the development of resource centers and to undertake resource management;
- (d) Human Resources Development Program to establish the Northeast Institute of Technology, to initiate special employment activities and to provide educational services;
- (e) Special Housing Program with home improvement assistance and Participation-Habitat; and
- (f) Management and Implementation Program which coordinates the implementation, provides the planning, analysis and review of programs, and assures public information and consultation.

| FINANCIAL PROVISIONS | ESTIMATED <u>TOTAL COST</u> | PROVINCIAL <u>SHARE</u> | FEDERAL <u>SHARE (DREE)</u> |
|------------------------------------|--------------------------------|----------------------------|--------------------------------|
| Industrial Development | \$24 000 000 | \$ 6 000 000 | \$18 000 000 |
| Urban-Industrial Infrastructure | 23 100 000 | 5 800 000 | 17 300 000 |
| Resource Development | 26 500 000 | 6 675 000 | 19 825 000 |
| Human Resources Development | 12 000 000 | 6 375 000 | 5 625 000 |
| Special Housing | 1 900 000 | 475 000 | 1 425 000 |
| Management and Implementation | <u>8 000 000</u> | <u>3 000 000</u> | <u>5 000 000</u> |
| TOTAL | \$95 500 000 | \$28 325 000 | \$67 175 000 |

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a management committee consisting of equal numbers of representatives of each government, designated by the respective federal and provincial Ministers. A regional implementation committee composed of one federal representative and one provincial representative will be responsible for current activities which include the supervision of each project of the agreement.

QUEBEC

QUEBEC

GENERAL DEVELOPMENT AGREEMENT

The Canada-Quebec General Development Agreement (GDA) was signed on March 15, 1974, by the Minister of Regional Economic Expansion on behalf of Canada and by the Minister responsible for the Quebec Planning and Development Bureau on behalf of the province.

The general objectives of the program for the economic development of Quebec may be summarized as follows:

- (a) to improve opportunities for productive employment and to consolidate employment in the traditional sectors;
- (b) to improve the standard of living;
- (c) to reinforce industrial and urban structure and promote the optimum development of the various regions;
- (d) to promote increased participation of Quebecers in their own development; and
- (e) to promote balanced development in Quebec in relation to the various regions of Canada.

To pursue these objectives, a broad development strategy for Quebec with the following sectoral and regional priorities was agreed on.

- (a) Primary Sector - The programs proposed in this sector comprise three elements: to increase incomes through high productivity; to aim for a development of the natural resources of Quebec which maximizes their impact on the manufacturing sector; and to add additional steps to the production processes.
- (b) Manufacturing Sector - The analysis of the industrial structure of Quebec leads to the formulation of development programs centred on two fundamental facets. We must first consolidate the traditional industrial sectors of non-durable goods and resource processing. The other facet of the industrial strategy is oriented towards the accelerated transformation of the industrial structure of Quebec. The interdependent structures between industries must be changed with new links added to the chain of activities of high-growth, high-productivity industries.

- (c) Tertiary Sector - Although the tertiary sector is generally the result rather than the generator of a development, we can still identify certain activities which play a promoting role in development. First we have the case of tourism, whose impact can be felt over the entire territory. As for other activities of the tertiary sector which promote development, transportation, finance and research have been singled out for concerted action.
- (d) Regional Balance - Efforts will be made to distribute growth among the various regions of Quebec in order to achieve a better urban balance and reduce interregional disparities.

The agreement provides a general orientation for the socio-economic development of Quebec, it also permits Canada and Quebec to better coordinate their respective initiatives in the development of the province.

Summaries of currently active sub-agreements follow.

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Financing of the 1974-78 SIDBEC Expansion Plan |
| DURATION | March 15, 1974 to March 31, 1978 as amended July 15, 1975 |
| OBJECTIVES | To assist SIDBEC to carry out a major expansion, enabling the corporation to capitalize on growing Canadian and export markets for steel. Among the anticipated benefits are more complete utilization of the province's labour potential, increased participation by SIDBEC in the domestic and export markets for steel products, and the general enhancement of industrial growth through the attraction of secondary industry for further processing of steel. |
| BACKGROUND | <p>Sidérurgie du Québec, or SIDBEC, was established by the Quebec government in the early 60s, in recognition of the need for competitively priced steel to act as a backbone for industrial development and economic growth in the province. Despite this active public role in the provincial steel industry, Quebec, in 1972, produced only 6% of the national output of basic steel while, at the same time, it consumed 18% of the finished steel used in Canada. By carrying out a major expansion, the SIDBEC corporation will be able to capitalize on growing Canadian and Quebec markets for steel, and this in turn will create more jobs, increase SIDBEC's participation in the domestic and export steel-products market and attract secondary industry.</p> <p>This sub-agreement was developed in consultation with several federal departments, more particularly with the departments of Finance, and Industry, Trade and Commerce, as well as with various provincial departments. It was signed by the Minister of DREE and the Minister responsible for the Office de planification et de développement du Québec.</p> |
| ELEMENTS | The SIDBEC expansion plan 1974-78 calls for the expansion of its steel-making and -fabricating capacity from 900 000 to 1 600 000 tons per year |

as well as the modernization of part of its existing operations and the added capability of manufacturing galvanized steel.

FINANCIAL PROVISIONS

The following projects will be carried out as part of the 1974-78 expansion plan.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL & INDUSTRY SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|--|---------------------------------|
| Contrecoeur | | | |
| (a) Unloading, storage and transport of iron ore | \$ 5 850 000 | | |
| (b) Reduction plant | 45 382 000 | | |
| (c) Steel plant expansion | 88 000 000 | | |
| Other projects* (excluding Port Cartier) | 46 670 000 | | |
| Reserve | <u>20 000 000</u> | <u> </u> | <u> </u> |
| TOTAL | \$205 902 000 | \$175 902 000 | \$30 000 000 |

* This amount will be committed progressively, giving priority to the exigencies of the above-mentioned projects.

ADMINISTRATION AND MANAGEMENT

A development committee established under the authority of the General Development Agreement will provide policy direction. A management committee, consisting of an equal number of representatives of Canada and Quebec, appointed by the federal and provincial Ministers, will be established to supervise the implementation of this agreement and provide routine management.

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Key Highway Networks |
| DURATION | September 13, 1974 to March 31, 1982 as amended March 31, 1976 and June 22, 1977 |
| OBJECTIVES | <p>In the realization of industrial, regional and urban development programs implying rapid means of communication between the various urban centres, to establish a comprehensive highway infrastructure consolidating the key role of these centres. A further objective of the projects to be undertaken under this agreement is to promote increased movement of industrial products between the various regions of Quebec.</p> <p>More specifically, Varennes, Contrecoeur, Tracy and Sorel together represent one of the heaviest concentrations of the metallurgical and iron-and-steel industries in Quebec. Thus, development of the Tracy-Boucherville industrial corridor will be accelerated and communication links with the vast Montreal market will be greatly improved.</p> <p>The amendment signed on March 31, 1976 regarding the construction of Autoroutes 10, 51 and 55 will promote commercial, industrial and tourist activity by improving the highway links in the Sherbrooke region with the industrial towns of the Saint-François Valley and the Bois-Francs region, as well as with Trois-Rivières - Bécancour.</p> <p>Work will also have to be completed on another departmental project in the Sherbrooke region: development of a vast regional industrial park adjacent to the proposed autoroute.</p> <p>Another project consists of reconstruction work on Highway 138 linking Port-Cartier and Sept-Iles, which form the urban centre with the highest rate of economic and demographic growth in Quebec. In addition, this project will mark the continuation of our activities in this region, including the establishment of SIDBEC and Rayonnier-Québec at Port-Cartier and the numerous projects undertaken under the Special Areas agreement.</p> |

The objective of the second amendment, signed on June 22, 1977 and covering five additional highway projects, is to provide the Mauricie, the North Shore, Eastern Quebec, the Saguenay and the Northwest with highway networks that will promote the industrial development of these regions.

It is in this perspective that the following projects are being undertaken: construction of the second half of the divided highway and cloverleafs for Autoroute 40 between Berthier and Pointe-du-Lac, construction of the second half of the divided highway and cloverleafs for the route Transquébécoise A-55 between Trois-Rivières and Shawinigan and reconstruction of Highway 132 in the Lower St. Lawrence - Gaspé region and Highway 199 on the Magdalen Islands. Finally, two additional projects consist of reconstruction of Highway 117 from Saint-Jovite to Louvicourt through La Vérendrye Park and construction of Autoroute 70 for a distance of 32.2 miles between Saint-Bruno and La Baie.

BACKGROUND

The territory along the south shore of the St. Lawrence between Boucherville and Tracy already boasts healthy industrial activity, based mainly on the metallurgical and iron-and-steel industries. The area already has access to excellent harbour facilities, including a vast shipyard and supplies of electricity. Moreover, it is gaining considerable ground in several other sectors such as the petrochemical industry, electricity, research and the heavy-metal industry.

There are two essential considerations in the reconstruction of Highway 138: universal accessibility to the principal services concentrated in Sept-Iles, and safety, in view of the increase in heavy traffic resulting from new industrial activities.

The existing highway network is inadequate, and risks hampering further development unless corrective measures are taken. The road improvements to be made should alleviate the situation, keep the growth rate at its present level and maximize the industrial upswing in the regions with high potential for economic development.

On the North Shore, the only links between the two major centres of Montreal and Trois-Rivières are Highway 138 and the partially completed Auto-

route 40. Highway 138, which passes through all the villages bordering the river, is narrow, winding and congested by local traffic along its entire length. Even in 1972 its average daily volume of traffic was 6 300 to 8 800 vehicles. Already much of the traffic is shifting toward the corridor of Autoroute 40, which is reason for building it as soon as possible. Lastly, a large number of vehicles use Autoroute 20 on the south shore of the St. Lawrence rather than take a chance on Highway 138, thereby contributing to the congestion on the bridges of the south shore of Montreal and Autoroute 20 itself. The objectives of this project are to link the regional capitals by means of an efficient, safe and rapid highway, to promote development of existing industrial centres and promote the establishment of new industry, and to facilitate through traffic and reduce pressure on the roads running parallel to the river (Autoroute 20 and Highway 138) and extend the present level of service of the Laviolette Bridge and of the bridges leading to the south shore of Montreal. DREE has already recognized the industrial vocation of Trois-Rivières and its important role as a regional capital by contributing, under the Canada-Quebec Special Areas Agreement, to the establishment of major industrial and highway infrastructure. DREE has also participated financially in the construction of the Trois-Rivières/Pointe-du-Lac section.

The only existing rapid highway link between Trois-Rivières and Shawinigan is the first lane of Autoroute 55, which has been in operation for several years. Already in 1975 an average of almost 5 500 vehicles per day were using this road, and an increase of 23% was registered during the first eight months of 1976. If the second half of the divided highway and cloverleafs are built, within six or seven years this autoroute will bear an average annual daily traffic of almost 10 000 vehicles on the section between Trois-Rivières and Shawinigan, and almost 14 000 on the section between Shawinigan and Grand-Mère, which is already under construction. The objectives of this project are to increase capacity and safety by constructing another lane, making the road a divided highway and constructing cloverleafs, to promote the industrial development of Trois-Rivières and Shawinigan by linking the various poles of the urban agglomeration by means of a modern highway forming an integral part of the route Transquébécoise, to promote improved accessibility to the various urban centres spread out in a line and to

facilitate through traffic and accessibility to tourist areas (for example, Mauricie National Park).

Highway transport forms the backbone of the regional economy of the Lower St. Lawrence - Gaspé area, in terms of both tourism and primary industry. The principal highway network consists of a major peripheral road (Highway 132), a number of crossroads at the eastern and western ends and a regional road cutting across the middle of the peninsula. The fact that this link is peripheral and is the only one on a good part of the peninsula means that this road is extremely vulnerable to poor weather conditions and that a continual watch must be kept on its condition. Highway 132 (around the Gaspé) is 533 miles long. Since 1968, 268 miles have been improved, 114 of which have been financed under the FRED agreement at a cost of \$54.6 million. The section of Highway 132 between Cacouna and Sainte-Flavie is 74 miles long, 24 of which have been reconstructed. The upgrading program for this road calls for the reconstruction of 37.3 miles at a cost of \$10 million. Highway 199, in the Magdalen Islands, is 60 miles long. Twenty miles have already been improved and the planned upgrading of the last 23 miles is estimated at \$8 million. The objectives of this project are to reduce the costs of access to markets; to stimulate tourism and ensure a higher level of service; to promote communication between the various centres spread out in a line along the peninsula; and to promote exchanges with the other regions of the province. In addition to achieving the aims stated above, the upgrading of Highway 132 will constitute an important adjunct to the investments already made under the FRED agreement, as it will bring in a return on sums invested in the development of the Rimouski, Mont-Joli, Rivière-du-Loup and Matane municipal industrial parks, the development of the Rivière-au-Renard, Paspébiac and Grande-Rivière fishing industrial parks and the harbour infrastructure of the Matane rail ferry.

The present Highway 117 (old Highways 11 and 58) is the principal highway link in this vast territory. This highway is inadequate to carry the some 8 000 vehicles that were seen on an average summer day in 1976 north of Saint-Jovite. This volume, 13% of which consists of heavy vehicles, has increased by 5% in each of the last three years. The traffic flow of 25 000 vehicles

established for an average summer weekend in 1976 (total for 48 hours) illustrates the leisure use to which this road is now being put. Study of existing operating conditions on this road shows that, because of numerous substandard curves and steep grades, passing visibility is extremely low and the average basic speed is far below the legal limit. Drainage, foundations and paving are in poor condition, and the width of the roadway and the shoulders as well as the grades leading to the ditches fail to meet modern standards. In a number of cases there are obstacles less than 30 feet from the roadway. Since the Laurentian Autoroute 15 has been extended to Sainte-Agathe, and Highway 117 between Sainte-Agathe and Saint-Jovite has recently been reconstructed into a four-lane divided highway, and since the regular development budget of the Quebec Department of Transport would not allow improvement of the highway infrastructure under consideration here to be contemplated for a number of years, there would soon be a severe congestion of the existing highway which is already in poor condition, and this would result in a slowdown in the development of this high-potential region. The objectives of this project are to promote tourist development in the region by advancing the reconstruction of its main highway by a number of years, to facilitate access to the exploitation of the region's natural resources (forest, mineral and so on), to consolidate the region's links with the Montreal area and to consolidate the principal highway network and further extend it toward the northwest where the urban centres of Val-d'Or and Rouyn-Noranda constitute an important industrial development area. In addition to achieving the major aims stated above, the reconstruction of Highway 117 will also make it possible to establish a complete highway link serving the James Bay hydro-electric complex, since there is now a modern road linking Matagami to LG 2. In addition, DREE has actively participated in tourist, agricultural, forestry, mining and industrial development in Abitibi through a number of agreements concluded with Quebec. The financial participation of DREE in the reconstruction of Highway 117 forms part of an integrated effort for economic development in this region.

South of the Saguenay River, there are three roads serving the sector between Alma and

La Baie: Highway 169 between Alma and Saint-Bruno, Highway 170 between Saint-Bruno and La Baie and Highway 372 between Jonqui re and La Baie by way of Chicoutimi. These roads pass through urban or semi-urban areas, an example being Highway 170 in La Baie, Jonqui re and Arvida. Traffic volume is relatively large; the average daily traffic on these roads is 4 500 vehicles near La Baie and Alma and over 12 000 between Chicoutimi and Jonqui re.

If current trends persist, traffic projections indicate that traffic volumes will increase appreciably by 1986 (because of major industrial developments and the growth of urban centres). The present highway network would not then be adequate to meet these needs. The Quebec Department of Transport has put forward two possible solutions to this problem - improving the existing highway network or building an autoroute between Alma and La Baie. Following an analysis, building an autoroute has been recommended because, although improving the existing network might provide a short-term answer, the department points out that, in the medium and long-term, building an autoroute would better meet needs in terms of capacity and safety and would, moreover, promote development of the region. The objectives of this project are, therefore, to improve traffic in terms of capacity and safety and to contribute to both the economic and urban development of the region. In addition to achieving the aims stated above, the construction of Autoroute 70 will constitute a necessary complement to other departmental projects in the Saguenay - Lac Saint-Jean region, including the development of a regional park adjacent to the proposed autoroute. This industrial park is being developed under the subsidiary agreement on industrial infrastructure.

These projects have been developed in consultation with a number of federal departments, in particular Finance and Transport, as well as with various provincial departments. They have been ratified by DREE and the Minister responsible for the Quebec Planning and Development Bureau.

ELEMENTS

The first project involves the construction of a divided highway with two lanes in each direction from Boulevard Grande Riv re in Tracy to Mont e Sainte-Julie (29 miles), and construction of two additional lanes from Mont e Sainte-Julie to the Trans-Canada Highway (3 miles). This project covers a distance of 32 miles of new highway and

the work includes roadway, structures, drainage system, signs, lighting and displacement of public utilities.

The two projects covered by the first amendment are the construction of Autoroute 10 for a distance of 12 miles between Omerville and Sherbrooke and the construction of Autoroutes 51 and 55 for a distance of 22 miles between Sherbrooke and Drummondville, and the reconstruction of Highway 138 (15) for a distance of 37 miles between Port-Cartier and Sept-Iles, including entry into Sept-Iles as far as the rivière du Poste west of the town.

Under the second amendment made to the agreement, the following five projects are being undertaken: construction of the second half of the divided highway of Autoroute 40 for 22.4 miles, four cloverleafs, eleven bridges and viaducts and a highway rest stop, thereby completing Autoroute 40 from Montreal to Trois-Rivières; construction of the second half of the divided highway between Trois-Rivières and Shawinigan (19.2 miles), seven cloverleafs, two grade separation bridges and one viaduct above the railway line at Shawinigan; reconstruction of Highway 132 between Cacouna and Sainte-Flavie and around the Gaspé and reconstruction of Highway 199 in the Magdalen Islands; reconstruction of Highway 117 between Saint-Jovite and Louvicourt, consisting of a four-lane highway from south of Saint-Jovite to north of Labelle (24 miles) and a two-lane highway to Louvicourt (206 miles); and, finally, construction of a divided highway with two lanes in each direction between Alma and La Baie (32.2 miles) also including construction of six cloverleafs and two river crossings.

FINANCIAL PROVISIONS

The following is a list of projects that will be undertaken under this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Autoroute 30 from Boucherville to Tracy | \$49 000 000 | \$19 600 000 | \$29 400 000 |
| Route 138 between Sept- Iles and Port-Cartier | 24 175 000 | 9 670 000 | 14 505 000 |
| Autoroute 10, 51 and 55 Sherbrooke/Drummondville | 56 000 000 | 22 400 000 | 33 600 000 |
| Autoroute 40 between Berthier and Pointe- du-Lac | 32 000 000 | 12 800 000 | 19 200 000 |
| Autoroute 55 between Trois-Rivières and Shawinigan | 22 600 000 | 9 000 000 | 13 600 000 |
| Highways 132 and 199 - Gaspé and Magdalen Islands | 148 000 000 | 123 000 000 | 25 000 000 |
| Reconstruction of Highway 117 from Saint-Jovite to Louvicourt | 36 000 000 | 14 400 000 | 21 600 000 |
| Autoroute 70 between Alma and La Baie | <u>26 000 000</u> | <u>10 400 000</u> | <u>15 600 000</u> |
| Total | \$393 775 000 | \$221 270 000 | \$172 505 000 |
| Reserve Fund | <u>5 000 000</u> | <u>2 000 000</u> | <u>3 000 000</u> |
| GRAND TOTAL | \$398 775 000 | \$223 270 000 | \$175 505 000 |

ADMINISTRATION AND MANAGEMENT Supervision will be ensured by a development committee established under the General Development Agreement. A management committee, comprising an equal number of representatives of Canada and of Quebec appointed by their respective federal and provincial Ministers, will be set up to supervise the implementation of the agreement and to handle routine administration. Quebec will be represented on this committee by one representative from the Quebec Planning and Development Bureau and one representative from the Department of Transport. The federal government will be represented by one representative from DREE and one representative from Transport Canada.

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Forestry Development |
| DURATION | March 26, 1975 to March 31, 1982 as amended December 9, 1976 and June 22, 1977 |
| OBJECTIVES | To promote optimum exploitation of Quebec's forest resources and to consolidate and create employment in wood-based industries by construction of an improved network of forest access roads in northern Quebec; to give lumber, veneer and pulp and paper mill owners access to the immense forest areas of the Outaouais region and part of the Abitibi - Témiscamingue region; to accelerate road construction in Saguenay - Lac Saint-Jean and on the North Shore, together with road improvements in the forests of eastern Quebec; and to increase the yield per acre of wooded areas through intensive forest management in southern Quebec. |
| BACKGROUND | The southern Quebec forest regions, those in the Eastern Townships, the Outaouais, the Mauricie, Quebec City, Montreal, the Gaspé and the Lower St. Lawrence were the first to be developed and, for all practical purposes, have been exploited in proportion to their potential. Moreover, since demand is expected to continue to grow in the decades to come, the sources now available will not be sufficient to meet the demand from wood industries in the province. There are other forest resources in the northern Quebec regions, but their development has been neglected to the point where only half the productive capacity is being exploited. One of the main reasons for this lag is the inaccessibility of the stands of commercial wood for the mills. It is, therefore, necessary to construct a suitable network of forest roads that will not only offset the depletion of the sources of supply in the south but will also ensure the profitability of current operations in the northern regions. Concurrently, this undertaking will stimulate the expansion of existing industries and the establishment of forestry complexes. The optimum exploitation of forest resources will enable these regions of Quebec to make better use of the existing opportunities for development and to |

consolidate and even improve the employment situation in enterprises such as sawmills and pulp and paper mills. Finally, by giving access to the northern forests, the program will help alleviate the shortage that is predicted by the year 2000.

The forest territory in the inhabited regions covers a productive and accessible forest area of approximately 50 000 square miles. Because most of this territory has undergone excessive cutting and has, as a whole, not been under intensive forest management, the present cut is far below what it could be. Assuming an annual increase in volume of 35 cubic feet per acre (which silviculture experts say is a very conservative figure), in the long run (30 or 40 years) 11 million cunits a year could be exploited in the forest in the inhabited regions - this corresponds to the current cut for the entire province. According to the Department of Lands and Forests, Quebec will experience a shortage of growing stock within 15 years unless radical steps are taken to carry out silviculture and reforestation work in the Quebec forest. Starting in the early 1990s, the forest industries in the Outaouais, Montreal, the Eastern Townships, the Mauricie and Quebec City regions will have major problems obtaining wood at a competitive price, since more than 95% of the present potential of both the public and the private woodlands in these territories will have been harvested. To meet their needs for raw materials, the mills in these regions must depend on sizeable volumes of wood from the Lower St. Lawrence - Gaspé, North Shore, Saguenay - Lac Saint-Jean and Abitibi - Témiscamingue regions, and from the bordering provinces and American states. However, although the forest industries located in these resource regions do not have such severe problems with volumes of supply, these supplies are expensive and will continue to be expensive in the future, because the cutting areas are gradually moving farther away from the mills. The overall forest-road network in the Lower St. Lawrence - Gaspé consists of four main types of roads:

- (a) public roads, the responsibility of the Department of Transport;
- (b) forest roads, used mainly for exploitation of domainal forests;

(c) access roads, the responsibility of the Department of Natural Resources; and

(d) forest roads, owned by the companies.

In view of the short average distance the wood is transported and the high road density constituted by these four main types of road, it might be concluded that no new roads need be added to the Lower St. Lawrence - Gaspé highway network. However, the standard of these roads needs to be upgraded to meet the demands of modern transportation and the use of equipment capable of carrying heavy loads, which permits economies of scale. In the North Shore administrative region, it has become necessary to accelerate access to the resource, particularly in connection with the Outardes sawmill industrial project. The forest territory located in the Outaouais and the southern part of the Abitibi - Témiscamingue administrative region covers an area of 1 800 square miles, of which the total volume of potentially usable growing stock amounts to 9 million cunits for the softwoods and 6 million cunits for the hardwoods. In the Outaouais forest region, indications are that a now inaccessible 150 000 cunits of hardwoods annually could be exploited if there were an access road running through these woodlands between Témiscamingue and Maniwaki for 125 miles. Construction of such a road will provide a long-term solution to the problem of the inaccessibility of the growing stock in this forest territory for the mills located along the Ottawa River and on the Hull - Maniwaki - Mont-Laurier highway network.

This subsidiary agreement has been developed in consultation with a number of federal departments, including Fisheries and Environment and Finance, as well as with various provincial departments. It has been signed by the Minister of DREE and the Minister responsible for the Quebec Planning and Development Bureau.

ELEMENTS

Part I - Access Roads

(a) Saguenay - Lac Saint-Jean

Construction of access roads to Chapais, Sainte-Marguerite, Lac Frotet and Lac Waconichi, Bras du Nord, Lac Bourgat and Lac Margonne.

(b) Abitibi - Témiscamingue

Construction of access roads between Quévillon and Matagami, in Fonteneau Township, on Canica Island, to Lac Valets, in Mazarin Township and Villebois Township, between Val-d'Or and Laforce, to Waswakipi, Bearn, Miniac, the Magiscane River and between Maniwaki and Témiscamingue.

(c) North Shore

Construction of access roads to Sacré-Coeur, in the Outardes domainal forest and to Mider.

(d) Eastern Quebec

Construction of access roads to Grand Portage, Chic-Chocs, in the Lower St. Lawrence, the Gaspé peninsula, the Baie des Chaleurs and Murdochville, to Saint-Charles-Garnier, to Lac Cascapédia and Lac Rimouski, the Matapédia River, in Dugal Township and Pilot Township, to the Nouvelle River, Square Fork Road and the Bonaventure River.

Part II - Silviculture and Reforestation

Reforestation and silviculture work in the Crown forests and assistance to private forest production in eastern Quebec, Saguenay - Lac Saint-Jean, Quebec City, the Mauricie, the Eastern Townships, north of Montreal, the Outaouais, Abitibi - Témiscamingue and the North Shore.

FINANCIAL
PROVISIONS

The following is a list of projects that will be undertaken under this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| <u>Part I - Access Roads</u> | | | |
| Saguenay - Lac Saint-Jean | \$11 386 400 | \$ 4 554 500 | \$ 6 831 900 |
| Abitibi - Témiscamingue | 29 956 700 | 11 982 700 | 17 974 000 |
| North Shore | 8 856 900 | 3 542 800 | 5 314 100 |
| Eastern Quebec | 7 000 000 | 2 800 000 | 4 200 000 |
| SUB-TOTAL | \$57 200 000 | \$22 880 000 | \$34 320 000 |
| RESERVE | 1 000 000 | 400 000 | 600 000 |
| <u>Part II - Silviculture and Reforestation</u> | | | |
| Eastern Quebec | \$ 39 573 500 | \$15 829 400 | \$23 744 100 |
| Saguenay - Lac Saint-Jean | 7 805 000 | 3 122 000 | 4 683 300 |
| Quebec City | 8 159 000 | 3 263 600 | 4 895 400 |
| Mauricie | 4 437 000 | 1 774 800 | 2 662 200 |
| Eastern Townships | 797 500 | 319 000 | 478 500 |
| North of Montreal | 3 831 000 | 1 532 400 | 2 298 600 |
| Outaouais | 2 190 500 | 376 200 | 1 314 300 |
| Abitibi - Témiscamingue | 12 541 500 | 5 016 600 | 7 524 500 |
| North Shore | 105 000 | 42 000 | 63 000 |
| SUB-TOTAL | \$ 79 440 000 | \$31 776 000 | \$47 664 000 |
| RESERVE | 693 000 | 277 000 | 416 000 |
| GRAND TOTAL | \$138 333 000 | \$55 333 000 | \$83 000 000 |

ADMINISTRATION AND MANAGEMENT Supervision will be ensured by a development committee established under the General Development Agreement. A management committee, comprising an equal number of representatives of Canada and of Quebec appointed by the federal and provincial Ministers, will be set up to supervise the implementation of the agreement and to handle routine administration. Fisheries and Environment Canada is represented on the management committee.

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Industrial Infrastructure |
| DURATION | March 26, 1975 to March 31, 1979 as amended December 9, 1976 |
| OBJECTIVES | To promote more balanced industrial development throughout Quebec by providing community facilities and services required to encourage and facilitate the establishment of new enterprises in various regions of the province. |
| BACKGROUND | <p>The development of the manufacturing sector in Quebec is dependent on the reinforcement of a network of infrastructure to encourage industry in various urban centres which will not necessarily be in a position to finance the growth or establishment of new industrial parks. To avoid too wide a diffusion of the thrust towards development in Quebec, and taking careful note of current trends in the province, the effort will be concentrated on a limited number of urban service centres. Those urban centres in Quebec which are already recognizable as growth poles must have large industrial parks so that, by their natural power of attraction, they will be able to draw enterprises which will reach beyond the purely local market. In this way, the role of these centres will be strengthened so that they can reach a level of development at which they can independently consolidate and accelerate economic development.</p> <p>The installation of infrastructure necessary for the fish-processing industry in the Lower St. Lawrence, the Gaspé, Iles-de-la-Madeleine and North Shore areas, will be facilitated, in that it enables the development of the fishery industrial parks to be completed.</p> <p>Finally, when an important industrial project wishes to establish in any region of Quebec, and if that project cannot move into one of the existing industrial parks, financial assistance may be provided to supply it with municipal services. The proposed action should ensure that a certain number of centres reach a level of development sufficient to bring about an inde-</p> |

pendent growth pattern. These initiatives will thereby contribute to improved opportunities for productive employment through the reinforcement of the industrial and urban structure of Quebec, and promote the optimum development of the various regions.

This sub-agreement was developed in consultation with several federal departments, more particularly with the departments of Fisheries and the Environment, and Finance, as well as with various provincial departments. It was signed by the Minister of DREE and the Minister responsible for the Office de planification et de développement du Québec.

ELEMENTS

Financial assistance under this program will facilitate the provision of infrastructure required by industry throughout Quebec. The program has three elements:

- (a) creation or expansion of industrial parks in a specific number of urban centres of the province;
- (b) establishment and development of several well-equipped fishery industrial parks in the Gaspé and Iles-de-la-Madeleine areas and fishery infrastructure in the North Shore area; and
- (c) the provision of essential infrastructure projects in municipalities which are financially incapable of meeting the industrial requirements of specific industries.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Industrial Parks | \$32 551 720 | \$13 020 688 | \$19 531 032 |
| Industrial Fishery Parks | 15 448 280 | 6 179 312 | 9 268 968 |
| Special Industrial Infrastructure Projects | <u>12 000 000</u> | <u>4 800 000</u> | <u>7 200 000</u> |
| TOTAL | \$60 000 000 | \$24 000 000 | \$36 000 000 |

ADMINISTRATION AND MANAGEMENT A development committee established under the authority of the General Development Agreement will provide supervision. A management

committee, consisting of an equal number of representatives of Canada and Quebec appointed by the federal and provincial Ministers, will be established to supervise the implementation of this agreement and provide routine management.

Fisheries and Environment has been invited to participate in the supervision of the development of fishery industrial parks.

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Agricultural Development |
| DURATION | March 29, 1976 to March 31, 1982 as amended June 22, 1977 |
| OBJECTIVES | The objective of this agreement is to implement an integrated land reclamation program on the Montreal Plain and to pursue the land-use adjustment program in Eastern Quebec, Saguenay - Lac Saint-Jean - Chibougamau and Abitibi - Témiscamingue, and to gradually apply it as needed to the other regions of Quebec outside the Montreal Plain. |
| BACKGROUND | <p>From 1963 to 1975, net farm incomes increased by only 16% (constant dollars) in Quebec, compared with 34% in Ontario and 29% for the whole of Canada. At the same time, the population has constantly increased, necessitating an increase in food products. The amount of farmland, both cleared and under cultivation, has dropped dramatically in the past 10 years, and this has resulted in a considerable falling-off of agricultural production in Quebec.</p> <p>Over the past 20 years, the province has thus become increasingly less self-sufficient, principally in meat, beef and potatoes, so that it must depend on imports to meet a large part of its food requirements.</p> <p>Over a third of Quebec's 6 million acres of farmland is on the Montreal Plain, an area of consistently high-quality soils lying within Quebec's most favourable climate zone. The Montreal Plain represents the main area of consumption in Quebec, a fact which should normally favour industrialization of the farming sector.</p> <p>However, the fairly uniform level of the land and high water table constitute major constraints: the excess water remaining in the soil in spring and during heavy rains interferes with sowing and harvesting and results in poor harvests.</p> <p>The integrated land reclamation program on the Montreal Plain will allow a significant improve-</p> |

ment in productivity and the diversification of products, thereby favouring the establishment of food-processing plants.

For some years now, the nature of farming has been changing both on the Montreal Plain and in other regions of Quebec. From a labour-intensive operation, it has become a capital-intensive one, because decreasing profit margins and labour shortages have led to farm consolidation and greater mechanization. In regions of lower capability than the Montreal Plain, however, farmers take longer to adjust to these new conditions, so that there is a certain amount of catching up to be done.

Land-use adjustments have become necessary to consolidate good farmland and to remove low-capability cleared land from agriculture.

The land-use adjustment program consists of a series of closely interrelated measures designed both to remove low-capacity land from agriculture and to consolidate and improve good agricultural land.

ELEMENTS

This subsidiary agreement will finance a land reclamation program and a land-use adjustment program covering the following interventions:

- (a) municipal watercourse engineering aimed at controlling the drainage of excess water while conserving water for irrigation;
- (b) optimum development of organic soils based on soil analysis and a master development plan;
- (c) reclamation of the alluvial lands around Lac Saint-Pierre, subject to annual flooding, with a view to reclaiming and protecting an area of about 30 000 acres;
- (d) underground drainage aimed at providing, together with surface drainage, the protection required to introduce or extend intensive crops under the climatic conditions peculiar to the Montreal Plain; and
- (e) land-use adjustment in the various regions of Quebec outside the Montreal Plain.

FINANCIAL PROVISIONS

The following is a list of projects that will be undertaken under this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|------------------------------------|---------------------------------|-----------------------------|---------------------------------|
| <u>Land-Use Adjustment</u> | | | |
| 01* - Eastern Quebec | \$ 3 950 000 | \$ 1 580 000 | \$ 2 370 000 |
| 09* - Northwest Quebec | 3 950 000 | 1 580 000 | 2 370 000 |
| 12* - Saguenay - Lac Saint-Jean | 3 950 000 | 1 580 000 | 2 370 000 |
| 02* - Quebec City | 1 175 000 | 470 000 | 705 000 |
| 03* - Beauce | 1 100 000 | 440 000 | 660 000 |
| 08* - Outaouais | 1 045 000 | 418 000 | 627 000 |
| 05* - Eastern Townships | 690 000 | 276 000 | 414 000 |
| 11* - Trois-Rivières | 437 000 | 175 000 | 262 000 |
| 10* - L'Assomption | 407 000 | 163 000 | 244 000 |
| 04* - Nicolet | 466 000 | 186 000 | 280 000 |
| SUB-TOTAL | \$ 17 170 000 | \$ 6 868 000 | \$10 302 000 |

*Quebec Department of Agriculture's agricultural regions

Land Reclamation

| | | | |
|--|---------------|--------------|--------------|
| Municipal Watercourses - Montreal Plain | \$21 721 000 | \$ 8 688 000 | \$13 033 000 |
| Underground Drainage - Montreal Plain | 49 625 000 | 19 850 000 | 29 775 000 |
| Municipal Watercourses - Eastern Quebec | 3 750 000 | 1 500 000 | 2 250 000 |
| Underground Drainage - Eastern Quebec | 1 000 000 | 400 000 | 600 000 |
| Municipal Watercourses - Northwest Quebec | 1 250 000 | 500 000 | 750 000 |
| Municipal Watercourses - Saguenay - Lac Saint-Jean | 3 750 000 | 1 500 000 | 2 250 000 |
| Underground Drainage Saguenay - Lac Saint-Jean | 5 000 000 | 2 000 000 | 3 000 000 |
| SUB-TOTAL | \$86 096 000 | \$34 438 000 | \$51 658 000 |
| GRAND TOTAL | \$103 266 000 | \$41 306 000 | \$61 960 000 |

ADMINISTRATION AND MANAGEMENT Supervision will be ensured by a development committee established under the General Development Agreement. A management committee, comprising an equal number of representatives of Canada and of Quebec appointed by the federal and provincial Ministers, will be set up to supervise

the implementation of the agreement and to handle routine administration. The Department of Agriculture will participate in the routine administration of the projects under this agreement through its representative on the management committee.

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Mineral Development |
| DURATION | March 29, 1976 to March 31, 1979 |
| OBJECTIVES | <p>The purpose of this agreement is to assist Quebec in carrying out activities to encourage mineral development in Quebec. The intention is to favour the exploitation and use of Quebec's natural resources for the benefit of the population by financing an integrated program to promote mineral and petroleum exploitation, access to resources, mineral research and the rational exploitation of resources.</p> |
| BACKGROUND | <p>Despite the considerable potential of Quebec's sub-soil, the distribution of exploitable mineral resources is very uneven from one region to another.</p> <p>The level of production has affected the economic development of the various regions. In the North Shore region, for example, the doubling of iron production between 1960 and 1973 made rapid growth possible. In contrast, Quebec's Northwest, where the mining economy relies mainly on primary constituents and precious metals, has had rather slower growth. Declining production and the closing of mines have had a strongly adverse effect on this region. To a lesser degree the economy of the Gaspé also is based in large part on the mining industry. Lastly, the Eastern Townships suffer from a lack of diversification in the mining industry. In terms of real growth, the value of production has increased at an annual rate of only 4.4% during the last 13 years.</p> <p>The search for and utilization of mineral deposits are affected by a number of factors ranging from purely scientific considerations to economic constraints which affect the growth of the mining sector in Quebec to varying degrees.</p> <p>Private industry invests between \$10 and \$15 million dollars annually in mineral exploration in Quebec.</p> |

Investments in the order of \$25 to \$30 million, or 6% of metallic mineral production, are needed in order to ensure an annual rate of increase of approximately 7.5% to 8% in Quebec's metallic mineral production.

The processing industry is weak in relation to mineral production and is not sufficiently diversified.

Working low-density and complex ore deposits presents many problems in mining and refining. In order to ensure the growth of the mining industry in Quebec, the utilization of these known but not yet exploited resources must be encouraged by finding solutions to the technical and technological problems which prevent their development and processing. This should be done through the development of research units and research centres specializing in the field of mineral resources and metals.

Hydrocarbons account for a major part of Quebec's energy bill. All oil and gas used in Quebec is imported. It is important, therefore, that governments further encourage the oil companies in their exploration of the main sedimentary basins of Quebec.

ELEMENTS

(a) Access to Mineral Resources

This agreement will enable the construction of access roads to the most promising geological areas in order to maximize the exploration efforts of private industry.

(b) Geoscientific Studies and Oil Exploration

These projects, financed by the agreement, will permit an intensifying of existing geological knowledge through the use of up-to-date geoscientific methods such as aerial geophysics, geochemistry and drillhole geophysics.

The geoscientific program on hydrocarbons aims at increasing knowledge in this field through geological, geophysical and geochemical projects, at stimulating exploration for oil and gas and at locating the most favourable sites for the underground storage of petroleum products.

(c) Industrial Research and Development Projects

The research and development program will centre on the development of procedures for the mining and processing of complex ores of which it is impossible at present to produce forms concentrated enough to meet the current specifications of processing plants.

FINANCIAL
PROVISIONS

Under the terms of the agreement the province shall carry out the following.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Access to Mineral Resources | | | |
| - permanent roads | \$ 6 739 000 | \$ 2 696 000 | \$ 4 043 000 |
| - mining access roads | 5 436 000 | 2 174 000 | 3 262 000 |
| Geoscientific Mineral Studies | 5 390 000 | 2 156 000 | 3 234 000 |
| Geoscientific Hydro- carbon Studies | 1 410 000 | 564 000 | 846 000 |
| Industrial Research and Development Projects | 7 947 000 | 3 179 000 | 4 768 000 |
| Reserve Capital | <u>1 528 000</u> | <u>611 000</u> | <u>917 000</u> |
| TOTAL AVAILABLE | \$28 450 000 | \$11 380 000 | \$17 070 000 |
| Repayments Made by Quebec | <u>150 000</u> | | |
| INITIAL TOTAL | \$28 600 000 | | |

ADMINISTRATION
AND MANAGEMENT

A development committee set up according to the General Development Agreement, is entrusted with supervision. A management committee, composed of an equal number of representatives from Canada and Quebec appointed by the federal and provincial Ministers, will be established to supervise the implementation of the agreement and to provide routine administration. Energy, Mines and Resources will participate in the routine administration of these projects through its representative on the management committee.

QUEBEC

SUBSIDIARY AGREEMENT

TITLE Establishment of a Bleached Kraft Pulp Mill at Saint-Félicien

DURATION April 21, 1976 to March 31, 1980

OBJECTIVES The purpose of this agreement is to enable Quebec to create an integrated forestry complex at Saint-Félicien, Roberval, by contributing to the financing of a bleached kraft pulp mill and the sawmills which will supply it.

BACKGROUND The pulp and paper industry is one of the oldest and most important in the economic structure of Canada and Quebec.

For Canada, the growth of the industry which processes its immense wealth of forest resources began to accelerate after the complete removal of American tariffs on newsprint in 1913.

Since that time the industry has continued to grow and diversify, spurred on by market demand, the accessibility of forest resources and technological developments in the fields of both pulp and paper. Today, in a world market that stands at 175 million tons per year, Canada is the second-largest producer with an output of 15 million tons of paper and 7 million tons of pulp. The economic impact of the industry in Canada is, however, much greater than the figures indicate because of the large percentage of production which is exported.

In addition to the strategic value of pulp and paper in the balance of trade (10% of Canada's total exports), the industry plays a primary role in regional development. The mills and the forestry operations that supply them are often the only viable economic activities in vast areas of Canada's territory and in the towns and villages which they have created.

Quebec, the birthplace of Canada's pulp and paper industry, is still the country's largest producer. In 1974 Quebec produced 45% of the newsprint made in Canada, but only 12% of the pulp.

Quebec's pulp and paper industry provides employment for some 79 000 people in the factories and forests, or about 11% of total employment in the primary and secondary sectors. It cannot be denied that a competitive, modern and dynamic pulp and paper industry is essential for the economic health of Quebec as a whole and of all the remote regions in particular.

Since 1968, however, Canada has witnessed a general downturn in the industry and such a low rate of return that new investments have not generally been justified despite the predicted growth of world demand. Quebec suffers more from this situation than do the other producing regions, its share of Canadian investments having dropped from 37% in 1968-69 to 16.5% in 1970-72.

For approximately the last 15 years the Government of Quebec has thus been trying to coordinate all the factors which, in the otherwise disadvantaged region of Roberval - Chibougamau - Saint-Félicien, could allow the best use of the Crown forest which is one of the last great reserves of wood capable of supporting an integrated forestry complex of optimum size.

This agreement not only meets one specific objective in the forestry sector but at the same time satisfies all the general objectives of the General Development Agreement.

The establishment of Donohue St-Félicien will also provide the means for the optimum utilization of the forestry resources of this vast region. Forestry operations will be conducted according to a development plan which will make use of both the more accessible woodlands in the southern region and the northern forests on Crown land. The three sawmills will be supplied with tree-length logs which will, depending on quality, be made either into lumber or into chips which would then go, along with the refuse, to supply the pulp mill.

ELEMENTS

The specific purpose of this agreement is to enable Donohue St-Félicien Inc. to build a bleached kraft pulp mill with an annual capacity of 262 000 tons and to modernize the sawmills belonging to it. After modernization it is expected that the annual production of the sawmills will be 135 million board feet and 548 000 tons of chips.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|-------------------------|---------------------------------|-----------------------------|---------------------------------|
| | \$50 000 000 | \$20 000 000 | \$30 000 000 |

The total costs of building the complex will be \$298 million, to be covered by financing from industry, the agreement fund and provincial agencies.

ADMINISTRATION AND MANAGEMENT A development committee, set up according to the General Development Agreement, is entrusted with supervision. A management committee, composed of an equal number of representatives from Canada and Quebec appointed by the federal and provincial Ministers, shall be established to supervise the implementation of the agreement and to provide routine administration.

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Airport Industrial and Commercial Park (PICA) |
| DURATION | June 18, 1976 to March 31, 1980 as amended November 25, 1977 |
| OBJECTIVES | <p>The agreement is aimed at increasing industrial development through the establishment of an industrial airport complex integrating the whole range of activities of a modern airport and the various means of transportation converging on it.</p> <p>The financial assistance to the Société du parc industriel et commercial aéroportuaire de Mirabel is to help set up the infrastructure necessary for developing the industrial and commercial airport park and carrying out industrial projects.</p> |
| BACKGROUND | <p>The achievement of the general objectives stated in the General Development Agreement will receive an additional impetus through this agreement, which is a logical extension of the Quebec government's efforts to create and consolidate industrial boards and rationalize and develop modern industrial parks.</p> <p>This Canada-Quebec subsidiary agreement on the financing of the Société's capital assets is designed to extend the subsidiary agreement on industrial infrastructure. This agreement differs from the previous one in its two composing facets: first, the intended international character of the activities carried on by the new industries, and second, the corporate mechanism used to implement and administer the future industrial and commercial airport park.</p> <p>The construction of a new international airport at Mirabel is in keeping with thorough modification of the entire infrastructure in the neighbouring region. The size and the nature of the investments involved are helping to promote the establishment and development of many commercial and industrial businesses in this part of the Montreal region.</p> |

The area north of Montreal is already equipped with host structures that could accommodate many of these businesses. If, however, the area is to derive maximum benefit from the industrial potential generated by the location of the airport and the related infrastructure, and comply with the objectives of the General Development Agreement under which efforts to develop industry in the Montreal region are to meet qualitative rather than quantitative criteria, the region must be equipped with additional infrastructure capable of attracting high-growth, high-productivity activities to Mirabel.

The airport park will encourage not only the creation of new jobs but the establishment of high-growth industries, namely those most likely to strengthen or modify Quebec's industrial structure.

In addition, the setting up of an intermodal TDM centre, which is currently under study and includes transfer, distribution and manufacturing activities to be integrated with Mirabel Airport, could make Montreal the hub of air transport for eastern North America.

Quebec undertakes to subscribe for 60% and Canada for 40% of the Société's common shares.

The Société's Board of Directors shall be made up of seven members who shall be the directors of the Société as defined in the Companies Act.

ELEMENTS

(a) Waste Water Evacuation

As the park's supply system is nearly completed, it is important to make sure that the sewage system is ready before the park begins operations. Essentially this means building sewers that will connect with the Saint-Canut purification plant.

(b) Physical Development

This heading covers all work involved in building roads and sidewalks, as well as lighting and paving each of the blocks designed to accommodate prospective industries.

(c) Downtown Mirabel

We include under this heading all the infrastructure work, that is, work on the water-supply and sewage-disposal systems planned for downtown Mirabel, which will have an important role as a complement to PICA itself.

(d) Administration

Forecast expenditures in this category cover two aspects: first, putting SPICAM, the company that is to look after development and management of the park into operation; and second, concluding the work of setting up the transfer and distribution facilities that complement the park's manufacturing function.

FINANCIAL
PROVISIONS

The following is a list of projects that will be undertaken under this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|-------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Waste-Water Evacuation System | \$ 2 953 000* | \$1 181 200 | \$1 771 800 |
| Physical Development | 5 886 000* | 2 354 400 | 3 531 600 |
| Mirabel (Downtown) | 1 520 000* | 608 000 | 912 000 |
| Administration | 1 200 000 | 480 000 | 720 000 |
| Reserve (15%) | <u>1 733 000</u> | <u>693 200</u> | <u>1 039 800</u> |
| TOTAL | \$13 292 000 | \$5 316 800 | \$7 975 200 |

*Including 10% of indirect costs.

ADMINISTRATION AND MANAGEMENT Supervision will be ensured by a development committee established under the General Development Agreement. A management committee, comprising an equal number of representatives of Canada and of Quebec nominated by federal and provincial Ministers will be set up to supervise the implementation of the agreement and to handle routine administration.

ONTARIO

ONTARIO

GENERAL DEVELOPMENT AGREEMENT

The Canada-Ontario General Development Agreement (GDA) was signed on February 26, 1974 by the Minister of Regional Economic Expansion on behalf of Canada, and by the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs on behalf of the province.

The general objectives of this agreement may be summarized as follows:

- (a) to improve opportunities for productive employment and access to those opportunities, and to sustain existing employment opportunities in those areas and sectors of Ontario which, relative to other areas and sectors of the province, are in need of special measures in order to realize their development potential in socio-economic terms;
- (b) to encourage socio-economic development in those areas of the province requiring special initiatives to permit the residents to contribute to and participate in the benefits of economic development; and
- (c) to reinforce policies and priorities of the province for regional development within Ontario insofar as they pertain to the areas and sectors of the province identified in objective (a).

Programs carried out in pursuit of the objectives will basically be in northern and part of eastern Ontario and these will be closely coordinated with the province's regional planning priorities and objectives and within the framework of the Ontario Design for Development Program. A list of action plans, which could lead to sub-agreements, was worked out cooperatively by the two governments, including:

(a) Cornwall Area of Eastern Ontario

Cornwall has attracted a considerable number of the workers leaving the agricultural sector, while being hit hard by major industrial closures. Consequently, unemployment has been much above the provincial average. A Cornwall subsidiary agreement was signed, which facilitated joint government action in the Cornwall area. The two governments contributed \$16 330 000 toward programs which were to increase income and employment opportunities by stimulating industrial growth and developing the tourism potential of the city and area.

(b) Northwestern Ontario

Northwestern Ontario is the first part of the province for which a set of policy recommendations designed to help achieve the goals of the provincial Design for Development Program has been published and officially accepted. Consideration has been given to initiatives consistent with federal and provincial development objectives and priorities and designed to facilitate both urban and rural development. Emphasis has been placed on ways to enable the region's primary centre to play its intended central role in the development of the area. This and other development initiatives have been facilitated through the signing of a north-western Ontario sub-agreement, under which the two governments are contributing \$50 888 650 dollars.

(c) Ontario Northlands

Outside growth centres designated pursuant to the Ontario Design for Development Program, there is a substantial group of socially and economically disadvantaged people isolated from the mainstream of provincial, social, and economic life by barriers such as geography, low levels of educational attainment, and poverty. A significant portion of this population is Indian or Metis. Although the Indians are located primarily in northern Ontario, there are Indian Bands throughout the province. Many of these members can be considered to be isolated and disadvantaged. Special efforts will be made to encourage and assist residents of isolated communities to participate in and benefit from the realization of development opportunities. Possible areas for early attention in this regard include economic assistance for small businesses, community improvement measures (consistent with regional planning goals), and manpower training and skill upgrading programs. The federal and provincial governments have signed an interim northlands agreement representing a commitment in principle to the development of a long-term northlands agreement. This interim agreement calls for the expenditure of \$427 500 to establish life skills courses, homemaker courses, recreation development, the identification of manpower adjustment needs, and evaluation of pilot projects.

This list of possible initiatives is not meant to be confining in any way; indeed, the expectation is that the number of topics will be augmented continuously over the life of the GDA, on the basis of an ongoing analysis of the opportunities for socio-economic development.

Summaries of currently active sub-agreements follow.

ONTARIO

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Northwestern Ontario |
| DURATION | May 23, 1974 to March 31, 1978 as amended August 25, 1975, December 12, 1975, March 31, 1977 and July 19, 1977 |
| OBJECTIVES | To increase the number and range of viable employment opportunities available in north-western Ontario; specifically, to strengthen strategic centres in the region, increase local processing of local resources, improve transportation and communication systems, make optimum use of existing public investments in the region by assisting in the rationalization of the urban structure and providing a stimulus to the economy of the Kenora area which will increase employment opportunities. |
| BACKGROUND | <p>Social and economic development in northern Ontario is impaired by the long distances separating the communities in the region from each other and from outside markets and sources of supply. Also, the range of economic activities in the north is comparatively narrow, consisting mainly of the exploitation and export of mineral and forest resources.</p> <p>The purchasing power in many of northern Ontario's urban centres is often insufficient to attract supporting industries; also, these communities suffer from a serious lack of public services. While the region possesses a high potential for tourism, better and faster access from the more populous areas of the continent will be required if this potential is to be realized.</p> <p>The overall consequences of the foregoing conditions are a low rate of population growth, a below-average rate of labour-force participation and a high rate of unemployment in localized areas.</p> <p>To accelerate economic growth in the region, it will be necessary to reinforce the intended</p> |

role of Thunder Bay as the regional servicing, processing and distribution centre. Also, to sustain a number of existing and planned forest and mineral development projects, selective road improvements and municipal infrastructure projects will require assistance.

In many areas of northwestern Ontario, the harvesting of wild rice is becoming an important economic activity. Investigation will be undertaken to determine the possibility of applying scientific methods to the wild rice industry to increase and stabilize incomes.

Finally, with complementary improvements to road and air transport facilities, and development of tourist park facilities, increased tourism is expected to induce greater local commercial activity, an expanded service sector, and long-term employment for Native people.

This sub-agreement was developed in consultation with several federal departments, more particularly with the Ministry of Transport and Central Mortgage and Housing Corporation, as well as with various provincial ministries. It was signed by the Minister of DREE, the Minister of Employment and Immigration and the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs.

ELEMENTS

The specific projects provided for under this agreement are the:

- (a) construction of new and the extension of existing sewage lines in Thunder Bay to strengthen the city's intended development role by opening up new industrial and residential areas;
- (b) provision of infrastructure assistance for a new townsite associated with the development of iron ore deposits in the vicinity of Lake St. Joseph;
- (c) expansion of the sewage-treatment plant in the community of Ignace to service new housing facilities necessary to accommodate a large number of the workers employed at the mining developments located in the vicinity of Sturgeon Lake;

- (d) construction of access roads to enable the more effective utilization of the forest and other natural resources in selected areas of northwestern Ontario, and to enhance area tourist potential;
- (e) reconstruction of a major portion of Highway 599 to accommodate the weight of ore-carrying trucks in connection with the mining developments near Pickle Lake, and to assist in the realization of other industrial activities;
- (f) assessment through research, having regard to economic, social and environmental consideration, of the feasibility of establishing a complex to accommodate a number of heavy industries contemplating location in the Thunder Bay area;
- (g) identification, through research, of the potential for expanding wild rice harvesting operations in northwestern Ontario;
- (h) extension of airport and reconstruction of road facilities to improve the access to the recreational potential of the Kenora area; and
- (i) development and construction of tourist and recreation facilities in the Pistol Lake area to mitigate environmental damage, to provide employment opportunities, and to increase the number of tourists.

FINANCIAL
PROVISIONS

The following is a list of projects to be carried out under this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Community Infra- structure Program | | | |
| (a) Thunder Bay Sewage System Improvements | \$23 218 000 | \$11 609 000 | \$11 609 000 |
| (b) New Townsite Lake St. Joseph (Deleted by amendment) | | | |
| (c) Ignace Sewage- Treatment Plant Expansion | 598 000 | 299 000 | 299 000 |
| Road Construction Program | | | |
| (a) Resource Access Roads | 9 182 234 | 4 591 117 | 4 591 117 |
| (b) Highway 599 | 9 082 000 | 4 541 000 | 4 541 000 |
| Study Program | | | |
| (a) Thunder Bay Industrial Complex | 25 000 | 12 500 | 12 500 |
| (b) Wild Rice Harvesting | 50 000 | 25 000 | 25 000 |
| Kenora Area Infrastructure | 2 095 766 | 1 047 883 | 1 047 883 |
| SUB-TOTAL | \$44 251 000 | \$22 125 500 | \$22 125 500 |
| Contingency Allowance | <u>6 637 650</u> | <u>3 318 825</u> | <u>3 318 825</u> |
| TOTAL | \$50 888 650 | \$25 444 325 | \$25 444 325 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a management committee composed of an equal number of senior officials designated by the federal and provincial Ministers.

Public Works will participate in the supervision of this agreement through their representative on the management committee.

ONTARIO

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Interim Northlands |
| DURATION | July 7, 1975 to March 31, 1978 as amended October 19, 1976 and May 27, 1977 |
| OBJECTIVES | <p>Although the projects under this agreement are of an interim nature, they represent a commitment in principle to a broad approach applying to all of northern Ontario and consisting of mutually reinforcing social and economic elements at once supportive of economic activity and contributing directly to an improvement in the quality of life in the region.</p> <p>Subject to above considerations, Canada and the province have the intention of entering into a long-term Ontario northlands sub-agreement to provide the area with a comprehensive and coordinated development strategy and to achieve the following objectives:</p> <ul style="list-style-type: none">(a) to increase net employment opportunities in the region;(b) to increase the quantity of economic activity sponsored locally;(c) to provide options and opportunities for residents to participate more fully in the development of the region's potential; and(d) to improve the environment of the region so as to better the quality of life available to the local population. |
| BACKGROUND | <p>The Ontario northlands as defined by this agreement is not a "region" in the traditional sense, but is rather a geo-socio-economic area which extends beyond the primary and strategic centres designated pursuant to the Ontario government's Design for Development Program. It covers portions of several physiographic regions and is characterized by a community of human, social and economic factors that are unique to the northlands. Relative underdevelopment, lack of standard services (social and physical), remoteness, human enclaves in a vast hinterland and high costs provide some of the basic characteristics for a regional concept.</p> |

The area selected for assistance under this subsidiary agreement contains a substantial group of socially and economically disadvantaged people isolated from the mainstream of provincial, social and economic life by barriers such as geography, low levels of educational attainment and poverty. A significant portion of this population is of Native ancestry and in the past could depend on a natural environment for its livelihood, either by living off the land or by selling fish and furs.

Due to a general lack of knowledge on how to cope with modern health and living problems, many of these people live under appalling physical conditions. Their traditional lifestyle is fast disappearing and too many of those affected do not have the opportunity, or are ill-prepared to participate in the economic development of Ontario's northlands.

The interim agreement will enable the two governments to attack particular problems being faced by residents of Northern Ontario. These and other problems were identified in the Canada-Ontario General Development Agreement. The interim agreement is designed to complement the province's Design for Development Program for northwestern Ontario.

This sub-agreement was developed in consultation with several federal departments, more particularly with the departments of Employment and Immigration, and Indian and Northern Affairs, as well as with various provincial ministries. It was signed by the Minister of DREE and the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs.

ELEMENTS

The specific projects provided for under this agreement are:

Life Skills

These courses will provide participants with the essential life skills and preparatory socio-economic information needed to allow them to cope with the benefits from existing manpower training programs.

Teaching the Homemaker

Services aimed at improving the skills of area residents in such fields as nutrition, hygiene, and family budgeting.

Recreation Area

Development of camping and canoeing facilities along a portion of the English River. The preparation and operation of these facilities will provide a supplementary source of income to local residents.

Identification of Manpower Adjustment Needs

A study to identify regional manpower surpluses and shortages, determine manpower skill availability, examine migration patterns and assess manpower skill requirements. The project is jointly funded by Ontario and the federal department of Employment and Immigration.

Evaluation

An evaluation of projects carried out under this interim sub-agreement.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|---|---------------------------------|-----------------------------|--------------------------|
| Life Skills | \$ 89 500 | \$ 44 750 | \$ 44 750 |
| Teaching Homemaker Skills | 21 000 | 10 500 | 10 500 |
| Recreation Area | 57 000 | 28 500 | 28 500 |
| Identification of Manpower Adjustment Study | 260 000 | 130 000 | 130 000* |
| Evaluation | (Deleted by amendment) | | |
| TOTAL | \$427 500 | \$213 750 | \$213 750 |

* This study will be jointly funded by Employment and Immigration and Ontario.

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a management committee consisting of equal numbers of representatives of each government, designated by the federal and provincial Ministers.

The departments of Employment and Immigration, and Indian and Northern Affairs will participate in the supervision of this agreement through their representatives on the management committee.

ONTARIO

SUBSIDIARY AGREEMENT

TITLE Northeastern Ontario

DURATION March 25, 1976 to December 31, 1979 as amended
July 28, 1976

OBJECTIVES To provide for the joint participation of Canada
and the province in projects directed towards
reinforcing the policies and priorities of the
province for regional development insofar as they
pertain to northeastern Ontario; and to provide
the means through which needed financial
assistance can be made available for approved
projects aimed at alleviating identified
constraints to the economic and social
development of key population centres in
northeastern Ontario.

BACKGROUND Northeastern Ontario has experienced an annual
population growth rate which is approximately
one-half the rate for Ontario as a whole.

The economy of northeastern Ontario has developed
on the strength of its natural resources.
Mining, forestry, tourism and related manufactu-
ring constitute the mainstay of the regional
economy and together employ more than one-third
of its labour force. The regional resource
sectors are dependent primarily on external
demand and are thus subject to the vagaries of
world markets. The processing of primary
products into manufactured goods is not well
established and secondary and tertiary industry
is poorly developed.

Many communities depend upon a single industry
for their economic base, leaving them vulnerable
to adverse changes in that industry.

The urban structure of northeastern Ontario
provides a framework through which the socio-
economic benefits of ongoing and proposed
government programs may be realized. Under the
development strategy articulated here, the
present urban system must be strengthened by
concentrating new economic activity in selected
centres to maximize the benefits of growth.

This focussing of growth will provide certain advantages such as maximum utilization of investment in infrastructure, support for both people and industry, and provision of a larger more multi-skilled labour force for industry.

SUDBURY AREA

The regional municipality of Sudbury, with a population of approximately 165 000, is the largest urban centre in northern Ontario. Its strategic location at the crossroads of east-west and north-south transportation routes, its many government offices, and health and educational institutions, have transformed this municipality into the main trading centre of northeastern Ontario. As such, Sudbury services a population of more than 500 000.

Historically, the size of the labour force in the Sudbury region has been directly related to the growth of the local mining industry and to service industries directly related to mining. However, the dominance of these industries, with their high wage scales, has acted as a constraint on the number of income and employment opportunities available in the Sudbury area.

A lack of serviced industrial land, along with infrastructure costs, has been a continuing problem during the past decade and has now developed into a major constraint on future industrial development in the Sudbury region.

Sudbury appears to possess many of the attributes helpful in attracting associated industrial development: the excellent transport facilities, the labour force and the availability of primary metal products for processing. However, in order to induce processing, manufacturing and other related service industries to locate in the area, reasonably-priced industrial land must be made available.

PARRY SOUND AREA

The town of Parry Sound has a population of close to 6 000. It is the major community in the District of Parry Sound, an area of some 1 400 square miles encompassing a total of approximately 30 000 people. The economic growth of this area has not kept pace with that of northeastern Ontario as a whole.

Historically, Parry Sound has been an important transshipment point, but today the harbour

facility is only used to ship iron ore pellets from the Sudbury area to the U.S.A. Tourism has been expanding slowly over the years providing a partial replacement of income lost due to economic change. Manufacturing activity has also been slow to develop.

Since the designation of the District of Parry Sound under the Regional Development Incentives Act in April 1974, there has been a marked increase in the attention shown to the area by manufacturers. However, the necessary serviced industrial land has not been available in the district.

TIMMINS AREA

Traditionally the Timmins area has been heavily dependent on mining and, to a much lesser extent, on forestry. Although gold mining remains an integral part of the local economy, base metal mining is steadily increasing its portion of the labour force. The Texasgulf copper-zinc mine, brought into production in 1966 as a number of gold mines were terminating operations, has enabled employment and population levels to be stabilized.

In recent years Timmins has witnessed an expansion in its economic base beyond mining into more diversified fields. Due to its central location, the city has become the focal point and service centre for a large area in northeastern Ontario, offering numerous warehousing and repair facilities associated with the mining and forestry sectors. Resource-based manufacturing is also becoming of increasing importance.

The city of Timmins, the principal urban centre in the District of Cochrane, was formed in 1973 by the amalgamation of a number of smaller communities. Subsequently the city was faced with the fact that many of the water and sewer mains were undersized and both sewage plants located within the city boundaries were overloaded. While it has been striving to upgrade its sewer and water systems, Timmins is currently facing an immediate need to accelerate its capital works program.

Texasgulf Inc. has announced plans to proceed with a \$400-million expansion project including a new smelter and refinery. This expansion is expected to increase the permanent work force by

1 500, resulting in a population increase for Timmins of 4 500. In order to provide essential services and housing for this population, several large-scale infrastructure projects are urgently required.

ELEMENTS

The specific projects provided for under this agreement are:

(a) Sudbury Area

Construction of water, sewage, storm drainage ditches and road facilities in the Highway 17 West (Walden) industrial park. The industrial park will provide sites for those industries currently prepared to locate in the Sudbury area. In addition, it will provide sufficient additional serviced land to accommodate the anticipated development of light industry over the next five years.

(b) Parry Sound Area

(i) Construction of the water and sewage facilities required for the Woods Road Industrial Park in Carling Township. The proposed development is aimed at increased net employment opportunities in the area, increasing the community's involvement in sponsoring economic activity, assisting the community to realize its development potential and broaden its tax base through the establishment of new processing, manufacturing and service industries, and improving the quality of life for area residents.

(ii) Assessment of the industrial planning, development, marketing and park management efforts in the Parry Sound area. This study is intended as a means of ensuring the continued orderly and planned development of the community's economic base.

(c) Timmins Area

(i) Construction of additional sewer and water facilities in the Timmins-Mountjoy area and the Tisdale-Whitney area to meet the current requirements for additional essential infrastructure.

The province will arrange through Central Mortgage and Housing Corporation for grants under the National Housing Act to assist in funding eligible sewage and water projects.

(ii) Assessment of industrial park requirements and sites, and industrial planning, development, marketing and park management efforts in Timmins. This study is intended as a means of identifying an optimum site for the location of an industrial park of an appropriate type, and helping to facilitate the orderly expansion of the community's economic base.

Assessment of the need for a by-pass road system to improve vehicle flow in the central business district, and to carry traffic within the study area in a manner consistent with the Texasgulf expansion and a new industrial park site.

FINANCIAL PROVISIONS

The following is a list of projects to be carried out under this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| <u>Sudbury Area</u> | | | |
| Highway 17 West (Walden) Industrial Park | | | |
| (a) Water Distribution System | \$1 260 000 | \$ 630 000 | \$ 630 000 |
| (b) Sanitary Sewers | 637 000 | 318 500 | 318 500 |
| (c) Access Road Construction | <u>1 148 000</u> | <u>574 000</u> | <u>574 000</u> |
| SUB-TOTAL | \$3 045 000 | \$1 522 500 | \$1 522 500 |

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| <u>Parry Sound Area</u> | | | |
| (1) Carling Township Industrial Park | | | |
| (a) Water Source System | \$ 471 000 | \$235 500 | \$235 500 |
| (b) Water Distri- bution System | 504 000 | 252 000 | 252 000 |
| (c) Sanitary Sewers | 970 000 | 485 000 | 485 000* |
| (2) Assessment of the Planning | <u>13 000</u> | <u>6 500</u> | <u>6 500</u> |
| SUB-TOTAL | \$1 958 000 | \$979 000 | \$979 000 |
| <u>Timmins Area</u> | | | |
| (1) Infrastructure | | | |
| (a) Water Mains | \$2 210 000 | \$1 105 000 | \$1 105 000 |
| (b) Sanitary Sewers | 7 536 000 | 3 768 000 | 3 768 000 |
| (2) Studies | <u>145 000</u> | <u>72 500</u> | <u>72 500</u> |
| SUB-TOTAL | \$9 891 000 | \$4 945 500 | \$4 945 500 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total without C.A. | \$14 894 000 | \$7 447 000 | \$7 447 000 |
| Contingency Allowance | <u>2 234 650</u> | <u>1 117 325</u> | <u>1 117 325</u> |
| TOTAL | \$17 128 650 | \$8 564 325 | \$8 564 325 |

* Includes CMHC assistance estimated at \$130 000.

ADMINISTRATION AND MANAGEMENT The overall management of this agreement will be the responsibility of the management committee consisting of an equal number of representatives of each government, designated by the respective federal and provincial Ministers.

ONTARIO

SUBSIDIARY AGREEMENT

| | |
|-----------------------|--|
| TITLE | Single-Industry Resource Communities |
| DURATION | October 18, 1976 to March 31, 1980 as amended July 19, 1977 |
| OBJECTIVES | <p>To diversify and stabilize the economies of single-industry resource communities in northern Ontario consistent with the objectives of the GDA and the goals and recommendations of the province, and to initiate programs aimed at easing the social and economic problems characteristic of single-industry communities. Specifically, it will seek to broaden the economic base of communities vulnerable to fluctuations in the resource sectors; to create alternative employment opportunities; to improve the living environment in order to attract and retain skilled labour; to strengthen the urban structure; and to encourage and sustain longer-term resource developments.</p> <p>Phase I, the initial phase of this Canada-Ontario joint strategy, will implement measures designed to support the growth opportunities of Nakina, Longlac and Geraldton, implement measures to increase the number and range of jobs and income opportunities and the selective improvements of the communities' infrastructure. Evaluations show that the tax base of the communities is insufficient to cope with major development prospects associated with the planned expansion of the woodlands operations of the Kimberly-Clark company. The tripling of the Kimberly-Clark Terrace Bay mill capacity from 400 to 1 200 tons per day will mean an increase of 400 to 600 jobs in their woodlands operations.</p> |
| BACKGROUND PHASE I | <p><u>Kimberly-Clark Impact Area</u></p> <p>The impact area envelops a region of some 28 000 square miles in northwestern Ontario. Within the confines of this area, the Kimberly-Clark company obtained cutting rights from the province for an additional 4 860 square miles, bringing their total timber limits to 12 186 square miles. The implications of this resource-based expansion mean increased job opportunities for Natives of</p> |

the area; increased population in major communities; improvements in the community structures to hold present inhabitants, encourage and retain skilled workers in the northwest, and improve the modes of transportation for better access to the communities.

At present, most large forest areas are committed to the pulp and paper industry; few remain open. Henceforth, the potential for new development of integrated forest complexes which would represent significant growth in the national productive capacity is constrained. Of the few remaining areas that will sustain long-term forest industrial development, several are located in northwestern Ontario.

Population expansion in the three growth communities is expected to increase from 5 400 to 7 800 by 1979. Nakina will increase by 1 300, Longlac by 35% beyond its present 1 700, and Geraldton's current population should increase by 500 people.

Nakina will serve as the dormitory community to house woodland workers, Longlac is being developed as the recreational centre and Geraldton will become the hub of transportation and retail services.

Apart from pulp and paper, this sub-region has known iron-ore reserves in the Nakina/Geraldton area capable of providing 235 million tons of iron-ore pellets. Combined with the Lake St. Joseph ore, there is a potential of some 660 million tons of pellets. Development will be long-range, possibly within the next two decades, and to a large extent scheduled to meet world market demands. The approximate expenditures for the future development of the ore reserves are in the range of \$2 billion and the job creation potential is estimated at 3 000.

BACKGROUND PHASE II

White River

As part of a long-term production and employment expansion program, the Abitibi Paper company announced plans in early 1974 to construct a new sawmill with a capacity of 70 million board feet per year in the improvement district of White River. This location was selected on the basis of proximity to Abitibi Paper limits north of Pukaskwa National Park and south of Chapleau as well as direct road/rail connections to the

existing Abitibi groundwood and newsprint mill in Sault Ste. Marie. The company has accepted RDIA assistance of \$1.2 million on approved capital costs of \$11.3 million.

When in full operation, Abitibi anticipates mill employment will total 125 jobs, of which approximately 90 positions will have to be filled by new residents in the community. This employment will generate new population growth estimated at 300 persons. Also, by the end of next year, Abitibi's area woodlands operations will have expanded from about 100 jobs to about 250 jobs, of which at least 80 positions and as many as 130 positions will be based in the community of White River. This anticipated new employment will generate population growth in the range of 200 to 400 new residents.

This new employment, together with the associated multiplier effects on service and public sector growth, will almost double the current population of White River and will necessitate, as a minimum, upgrading of the existing water supply system, construction of a communal sewage collection and treatment system and considerable storm drainage work.

The key problem associated with this development opportunity arises from the community's inability to absorb and accommodate the rapid population growth anticipated in the next two years. This problem is based on two related factors: first, the lack of adequate manpower in the immediate area to fill most of the new job opportunities and second, the lack of basic infrastructure, services and housing to accommodate potential migrants to the community. In particular, at least 180 new dwellings will likely be needed by 1978 (including single-family dwellings, semi-detached units and rental accommodations).

ELEMENTS
PHASE I

1. Community Infrastructure Program

- (a) The community infrastructure program will assist Nakina with the completion of wells, pumps and housing (excluding drilling), construction of a reservoir, pumping and chlorination equipment of approximately 350 000-gallon capacity, the construction of 1 200 linear feet of 12-inch watermain, construction of a 375 000-gpd sewage treatment facility and 4 600 linear feet of gravity trunk line sewers.

- (b) Longlac assistance will include construction of an approximately 1.5-mgd water-treatment plant with an elevated storage tank of 500 000-gallon capacity, 4 600 feet of 12-inch watermain, and a 375 000-gpd sewage treatment plant.
- (c) Geraldton water system improvements will include a 1.5-mgd water-treatment plant and 4 500 linear feet of 12-inch trunk watermain from the existing storage tank to a new 500 000-gallon storage tank.

2. Transportation Development Program

- (a) The Geraldton airport component will include grading and paving of a 5 000-foot runway, runway lighting and installation, access roads, construction of a passenger, operating and maintenance building, MNR fire base, inclusive of operating buildings, tank farm and water base for MNR.
- (b) Airport access including reconstruction to granular base of existing roadway (approximately 4.7 miles) with prime and double surface treatment.

ELEMENTS PHASE II

The specific projects, currently provided for under this agreement are:

1. Water Services

Construction of basic water system improvements to accommodate anticipated growth, including two new residential subdivisions and an apartment block providing approximately 320 housing units. This project includes external water connections, two booster pumping stations, replacement of chlorination facilities and improvements to the existing water intake and will provide improved water services for 238 existing dwellings.

2. Sanitary Sewer Services

Construction of basic sanitary sewage system improvements to accommodate anticipated new growth. This project includes external connections and pumping stations from the proposed two new subdivisions, and inter-connecting forcemains to a seasonal

retention sewage lagoon and will provide treatment capacity for an estimated population of 800 new residents.

3. Storm Drainage

Construction of basic storm drainage facilities for the proposed Nordev municipal subdivision. This project includes large-diameter storm sewers, a major storm water-pumping station and a rail crossing, and will drain runoff from the new residential area into the White River, and improve storm drainage for the existing commercial area.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|---|---------------------------------|-----------------------------|--------------------------|
| <u>PHASE I</u> | | | |
| 1. Community Infras- tructure Program | | | |
| (a) Nakina Water System Improve- ments | \$1 293 000 | \$ 646 500 | \$ 646 500 |
| (b) Nakina Sewage System Improve- ments | 1 730 000 | 865 000 | \$ 865 000 |
| (c) Longlac Water System Improve- ments | 2 553 000 | 1 276 500 | 1 276 500 |
| (d) Longlac Sewage System Improve- ments | 1 500 000 | 750 000 | 750 000 |
| (e) Geraldton Water System Improve- ments | <u>2 914 000</u> | <u>1 457 000</u> | <u>1 457 000</u> |
| | \$9 990 000 | \$4 995 000 | \$4 995 000 |
| 2. Transportation Development Program | | | |
| (a) Geraldton Airport 5 000-foot runway lighting, airport roads, terminal bulding | \$2 827 000 | \$1 413 500 | \$1 413 500 |

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|---|---------------------------------|-----------------------------|--------------------------|
| (b) Airport Access Improvements - approximately 4.7 miles of roadway to the airport | \$ 883 000 | \$ 441 500 | \$ 441 500 |
| | \$ 3 710 000 | \$1 855 000 | \$1 855 000 |
| SUB-TOTAL | \$13 700 000 | \$6 850 000 | \$6 850 000 |
| Contingency Allowance | <u>2 054 000</u> | <u>1 027 000</u> | <u>1 027 000</u> |
| TOTAL PHASE I | \$15 754 000 | \$7 877 000 | \$7 877 000 |

NOTE: Other federal government departments expected to participate in the federal share of funding are:

(a) CMHC, towards water and sewer infrastructure works, to a maximum of \$7 million; and

(b) MOT, towards airport construction, contributing up to \$550 000.

PHASE II

Community Infras- tructure Program

| | | | |
|--------------------------|---------------------|--------------------|--------------------|
| 1. Water Services | \$ 260 000 | \$ 130 000 | \$ 130 000 |
| 2. Sewer Services | 775 000 | 387 500 | 387 500 |
| 3. Storm Drainage | <u>665 000</u> | <u>332 500</u> | <u>332 500</u> |
| | \$ 1 700 000 | \$ 850 000 | \$ 850 000 |
| Contingency Allowance | <u>255 000</u> | <u>127 500</u> | <u>127 500</u> |
| TOTAL PHASE II | \$ 1 955 000 | \$ 977 500 | \$ 977 500 |
| GRAND TOTAL | <u>\$17 710 000</u> | <u>\$8 855 000</u> | <u>\$8 855 000</u> |

ADMINISTRATION AND MANAGEMENT A management committee will have the responsibility of monitoring and managing the agreement. The committee will consist of an equal number of members from each government, designated by the respective federal and provincial Ministers.

ONTARIO

SUBSIDIARY AGREEMENT

TITLE Community and Rural Resource Development

DURATION December 7, 1977 to March 31, 1980

OBJECTIVES To strengthen the community structure of rural areas by encouraging residents to contribute to and participate in developing the social and economic potential of the area; to improve the opportunities for productive long-term employment in such areas through the assessment and pursuit of identified economic opportunities related to the development of natural resources; and to strengthen and diversify the economic base of rural areas and related communities by encouraging the development of alternative secondary industry, in northern and eastern Ontario.

BACKGROUND This program of financial assistance for Ontario is to enable the province to arrange for the undertaking of projects which are essential to the development of a strong rural resource community in northern and eastern Ontario.

The current list of proposed activities is not in any way meant to be exclusive or limiting: other development opportunities in northern and eastern Ontario which are consistent with the objectives of this subsidiary agreement are expected to be identified during its duration. It is the intention of the Ministers to seek approval to amend this agreement from time to time for the purpose of launching similar programs and projects relevant to northern and eastern Ontario.

PHASE I: UPPER OTTAWA VALLEY

Renfrew County, located in the Eastern Ontario Planning Region, has been identified as an area requiring special measures to stimulate economic growth and diversification. The area is characterized by slow growth, high unemployment, low income levels and a high rate of outmigration.

Renfrew County's economic development problems are closely related to its industrial structure.

Employment in the resource and manufacturing sectors has declined steadily during the 20 years between 1951 and 1971, and although service sector employment rose between 1961 and 1971, there are indications that it has reached its peak. Public sector employment declined between 1961 and 1971 and there is no reason to assume that employment in this sector will increase greatly in the foreseeable future. The current growth of employment in the service sector is a reflection of the continuing growth in the tourist and recreation industries. These industries, however, tend to be low paying and seasonal, and there are indications that the area may already be too dependent on such employment. Because of these limitations to growth in the service sector and the public sector, resource and manufacturing industries must be relied upon to a large extent to bring about employment growth and income improvement. Stimulation of these sectors will require special measures directed not only to the economic sectors themselves, but also to overcoming constraints on the area's infrastructure.

The projects specified in Schedule "A" of the agreement are intended as a first step in a longer process of reaching these development objectives in Renfrew County. It is intended that these measures will be followed up with more concrete development assistance as proves appropriate as a result of the assessments to be carried out as identified here and in Schedule "A" of the agreement.

ELEMENTS

The specific projects, currently provided for under this agreement are:

(1) Resource Development

As an initial step in developing Renfrew County's resource base, it is necessary to obtain a clear understanding of the area's present resource endowment. For this reason, a complete assessment of the forest and mineral resource base is to be carried out. These assessments will identify development potential in these key sectors, and will also help determine the follow-up action required by both the public and private sectors to ensure the potential is realized.

(a) Forest Resource Assessment

The proposed forest industry initiative has been designed to accelerate and

broaden the current Ontario Ministry of Natural Resources (MNR) inventory program to include an assessment of wood utilization, and will allow detailed planning with respect to the Renfrew area forest industry to proceed without the time and budget constraints currently forecast by MNR.

Major components of the project include:

(i) Forest Resource Inventory

Development of up-to-date quantitative information on the forest resource including the magnitude of the raw material potential. The present data based on an inventory conducted in 1958 are inadequate for planning purposes.

(ii) Reconnaissance Inventory

Development of reliable qualitative information on the volume of raw material available for allocation to industries dependent upon the specific resource. This assessment will include an inventory of the extensive private woodlots upon which the area's forest industry is heavily dependent.

(iii) Forest and Mill Utilization Surveys

Analysis of the efficiency and existing level of timber consumption in Renfrew County. Two related assessments are to be carried out. The first will examine wood consumption by mills and production efficiencies along with the degree of raw material upgrading, shipping modes and patterns to markets, and market locations. Mill residue utilization will also be examined.

The second study will be concerned with the forest resource base and amalgamation of the information collected through the preceding surveys. This study will focus on

the efficiency of timber supply and mill location, road access, the fibre delivery systems, the volume of timber trade with Quebec and the United States, an overall annual timber surplus/depletion evaluation for industrial development and resource assessment for potential economic development.

(b) Mineral Resource Assessment

The Renfrew County area is characterized by a unique geology favourable to the occurrence of uranium, base metals, industrial rocks and minerals, and construction aggregates.

The proposed mineral development initiative has been designed to accelerate the current MNR work program and will enable a mineral resource inventory to be completed within approximately three years.

Major components of the proposed project include:

(i) Precambrian Geological Surveys

A large part of Renfrew County remains to be adequately surveyed. These surveys will provide data on rock types, structures and geological history in unmapped parts of the region. The data will be integrated with available regional stratigraphic and structural geological data (geophysical, geochemical, and mineral deposit data) as the basis for predicting potential mineral occurrences in the area.

(ii) Mineral Deposit Assessment

This assessment will involve field examination and compilation of all available data on the known mineral deposits of the region to determine their modes of occurrence relative to the geological setting, and to assess the potential for additional deposits. The work will be focussed

on uranium deposits, base metal deposits, industrial minerals and aggregates.

(iii) Analytical Work Publication and Cartography

The results of the above assessment work will be analysed and made available to the public through printed maps and reports identifying potential development opportunities.

(2) Industrial Development

The development of industrial land in the Pembroke area has been identified as another key requirement for current and future economic development and diversification in the Uppper Ottawa Valley. The present capacities of the municipality's sewage are inadequate to support the proposed industrial park development. As a prerequisite to considering further assistance with regard to industrial park development in the Pembroke area:

- (a) a testing of nutrient removal facilities is to be carried out to determine the extent and cost of expanding the capacity of the present sewage plant in Pembroke; and
- (b) detailed design and engineering work is to be carried out, up to but not including tendering, in relation to construction of the city's new water filtration plant. This work will permit the determination of accurate cost estimates for the construction phase.

(e) Regional Economic Development

Regional development through the encouragement of residents to contribute to and participate in their socio-economic expansion has been identified as a key element in the realization of the development potential of the area.

The proposed strategy is to provide assistance to establish a unified local organization which would be responsible for

identification of development opportunities and related constraints and problem areas, promotion of the county in general and of specific development opportunities, coordination of inputs required for particular developments and possible investment in and management of specific enterprises (for example, industrial parks).

The initiative would include the funding of seminars and a portion of the costs involved in developing and operating a local economic development agency over a two to three year period.

It is anticipated that the organization would become self-financing at the local level following its initial stages of operation. To be effective, however, it would have to operate on the basis of support drawn from throughout the county.

| FINANCIAL PROVISIONS | ESTIMATED TOTAL COST | PROVINCIAL SHARE | FEDERAL SHARE (DREE) |
|--|-------------------------|---------------------|-------------------------|
| <u>PHASE I</u> | | | |
| (1) Resource Development | | | |
| (a) Forest Resource Assessment | \$ 145 000 | \$ 72 500 | \$ 72 500 |
| (b) Mineral Resource Assessment | 491 000 | 245 500 | 245 500 |
| (2) Industrial Land Development Studies | 315 000 | 157 500 | 157 500 |
| (3) Regional Economic Development Assistance | <u>200 000</u> | <u>100 000</u> | <u>100 000</u> |
| | \$1 151 000 | \$575 500 | \$575 500 |
| Contingency Allowance | <u>172 650</u> | <u>86 325</u> | <u>86 325</u> |
| TOTAL | \$1 323 650 | \$661 825 | \$661 825 |

| | |
|-------------------------------|--|
| ADMINISTRATION AND MANAGEMENT | The overall management of this agreement will be the responsibility of the management committee, consisting of an equal number of representatives of each government, designated by the respective federal and provincial Ministers. |
|-------------------------------|--|

MANITOBA

MANITOBA

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) with Manitoba was signed June 5, 1974 by the Minister of Regional Economic Expansion and the Minister of Mines, Resources and Environmental Management (Chairman of the Cabinet Sub-Committee on Economic and Resource Development of Manitoba).

The objectives of this agreement are:

- (a) to increase incomes and employment opportunities throughout Manitoba to increase opportunities for people to live in the area of their choice with improved standards of living; and
- (b) to encourage socio-economic development in the northern portion of Manitoba to provide the people of the area with real options and opportunities to contribute to and participate in economic development, to continue their own way of life with enhanced pride and purpose and to participate in the orderly utilization of natural resources.

Strategies to be employed to meet the objectives include:

- (a) identification of development opportunities and assistance in their realization through coordinated application of relevant federal and provincial policies and programs, including the provision of specialized measures required for such realization; and
- (b) analysis and review of the economic and social circumstances of Manitoba and Manitoba's relationship to the regional and national economy, as these may be relevant to achieving the objectives.

The main sectors identified in the GDA as warranting special attention are Manitoba northlands socio-economic development, agro-Manitoba development and commercial and industrial development.

Summaries of currently active sub-agreements follow.

MANITOBA

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Mineral Exploration and Development |
| DURATION | March 31, 1976 to March 31, 1979 (retroactive to April 1, 1975) |
| BACKGROUND | <p>In terms of the Manitoba economy, the mineral industry is vitally important from a number of viewpoints. In 1973, mineral output was estimated to have directly accounted for approximately 7% of Manitoba's Gross Provincial Product - second only to agriculture in the primary resource sector. Sub-regionally, the industry's importance to northern Manitoba is even more critical. With the exception of some minor resource activity in forestry, fishing and trapping, mineral production is the largest and most important viable resource-based economic activity in the area. Much of the existing service and commercial activity of northern Manitoba is directly dependent on the continuance of a high level of mineral production.</p> <p>The increasingly vital role that minerals will play in Canadian and Manitoban economies accentuates the importance of effective management of Manitoba's mineral resources. The agreement was developed to contribute to this objective of effective management as well as to assist in maintaining an acceptable level of exploration activity in Manitoba.</p> <p>The agreement's program was finalized after extensive consultation with the province and the Department of Energy, Mines and Resources. The agreement was signed by the federal Ministers of DREE, and Energy, Mines and Resources, and by the provincial Minister of Mines, Resources and Environmental Management.</p> |
| ELEMENTS | <p>The program undertaken under the agreement is comprised of the following projects:</p> <p>(a) base metal exploration, designed to evaluate potential base metal targets through geological, geophysical and geochemical investigation and, where warranted, diamond drilling in various parts of the Precambrian Shield and Paleozoic formations of Manitoba;</p> |

- (b) uranium reconnaissance exploration, including both airborne gamma-ray spectrometry and regional geochemistry, designed to locate areas of potential uranium mineralization and locate regional and base metal anomalies north of the 58th parallel of latitude in northern Manitoba;
- (c) regional survey and evaluation, designed to provide geological support to the Uranium Reconnaissance Exploration project in an area north of the 58th parallel and to provide a means of evaluating and refining the results of the reconnaissance project through follow-up geophysical and geochemical surveys;
- (d) industrial minerals evaluation to accelerate the assessment of the industrial minerals potential of Manitoba and to provide for their effective long-term utilization in the context of urban development;
- (e) pegmatite mineral exploration to assess the most promising genetically-related granitoid terrains in Manitoba in order to stimulate the possibility of developing new sources of supply of an assortment of uncommon but important metals which occur in pegmatite mineral assemblages; and
- (f) mineral development analysis to analyse the results from the mineral exploration and development projects for possible future activities to meet the objectives of the GDA.

FINANCIAL
PROVISIONS

The following is a list of proposed costs associated with the projects.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|---------------------------------------|---------------------------------|-----------------------------|--------------------------|
| Base Metal Exploration | \$4 000 000 | \$2 000 000 | \$2 000 000 |
| Uranium Reconnaissance Exploration | 1 600 000 | 800 000 | 800 000 |
| Regional Survey and Evaluation | 600 000 | 300 000 | 300 000 |
| Industrial Minerals Evaluation | 1 500 000 | 750 000 | 750 000 |
| Pegmatite Mineral Exploration | 400 000 | 200 000 | 200 000 |
| Mineral Development Analysis | <u>400 000</u> | <u>200 000</u> | <u>200 000</u> |
| TOTAL | \$8 500 000 | \$4 250 000 | \$4 250 000 |

The total federal share is cost-shared equally by EMR and DREE, with EMR providing 100% of the federal share toward uranium reconnaissance exploration.

ADMINISTRATION AND MANAGEMENT The agreement is carried out under the general direction and supervision of a management committee comprised of a representative of DREE, a representative of Energy, Mines and Resources (who acts as federal co-chairman), and two representatives of the province (one of whom acts as provincial co-chairman).

MANITOBA

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Northlands |
| DURATION | September 15, 1976 to March 31, 1981 (retroactive to April 1, 1976) |
| OBJECTIVES | <ul style="list-style-type: none">(a) To enable the people of the area to contribute to and participate in the development of northern Manitoba.(b) To enable those people of the area who wish to do so, to continue their own way of life with enhanced pride and purpose.(c) To encourage the orderly utilization of the natural resources of northern Manitoba in harmony with resource conservation, and for the benefit of the inhabitants, the province and the region. |
| BACKGROUND | <p>The two-year interim agreement allowed for a series of planning and initial development projects within the context of the 15-year western northlands initiative. Projects were undertaken to encourage increased participation of Native people in community and regional employment and increase the individual's available employment options. Another series of projects undertook an inventory of resources available to northern communities and community economic development planning and pilot action. A transportation and communications sector under the interim agreement provided for a major transportation study, approximately 100 miles of northern road construction, and upgrading of community airstrips.</p> <p>This longer-term northlands agreement is designed to continue the emphasis on remote communities and their development. A sector/program mix similar to that of the interim agreement has been employed.</p> <p>The strategy for this agreement involved detailed discussions with the Province of Manitoba, the Department of Indian and Northern Affairs, Employment and Immigration, Transport Canada and other federal departments. The resulting</p> |

agreement provides for a coordination and implementation system that accommodates the complex nature of the socio-economic development programs.

This agreement was signed by the federal Ministers of Transport, Employment and Immigration, Indian and Northern Affairs, and DREE. The agreement was signed by the provincial Minister of Northern Affairs.

ELEMENTS

The three sectors of the agreement relate to:

- (a) resource and community economic development, designed to provide the resources necessary for the assessment, planning, development and support of resource-based and other opportunities for a community economic development approach, emphasizing local participation, which is designed to provide long-term employment and increased well-being in communities on the basis of converging basic human needs with productive activity arising from the resources of the region;
- (b) human development and community services, designed to assist families and communities to provide a social and physical environment conducive to the improvement of the quality of life and the participation of people in community affairs and development opportunities; and
- (c) transportation and communications, designed to move toward providing reliable and reasonable access to all northern remote communities for the transportation of people, goods and services and further to ensure the provision of communications infrastructure to increase the participation of people in community, provincial and national affairs.

FINANCIAL PROVISIONS

The following is an outline of the costs related to the sectors of this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|--|---------------------------------|-----------------------------|--------------------------|
| Resource and Community Economic Development | \$ 5 000 000 | \$ 2 000 000 | \$ 3 000 000 |
| Human Development and Community Services | 93 082 000 | 24 473 000 | 68 609 000 |
| Transportation and Communication | 35 667 000 | 14 267 000 | 21 400 000 |
| Coordination and Pilot Action Research | <u>5 000 000</u> | <u>2 000 000</u> | <u>3 000 000</u> |
| TOTAL | \$138 749 000 | \$42 740 000 | \$96 009 000 |

Other federal departments contributing to the agreement are Employment and Immigration (\$5.516 million), Transport Canada (\$7.5 million) and Indian and Northern Affairs (\$14.993 million).

ADMINISTRATION AND MANAGEMENT The agreement is carried out under the general direction and supervision of joint managers: the Deputy Minister, Manitoba Department of Northern Affairs, and the Director General of the Manitoba DREE office, or their designates. In addition, the joint managers can establish coordination committees as required for the effective and efficient co-ordination of the programs.

SASKATCHEWAN

SASKATCHEWAN

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) with Saskatchewan was signed February 11, 1974 by the Minister of Regional Economic Expansion and the Minister of Industry and Commerce of Saskatchewan.

The objectives of this agreement are:

- (a) to increase the aggregate economic growth of the provincial economy in order to increase employment opportunities, encourage balanced growth between rural and urban centres and help ensure a continuing, vibrant, dynamic society;
- (b) to preserve and enhance the value of the province's natural resources and optimize the value-added from processing and manufacturing of these resources;
- (c) to diversify the province's economic base to reduce its dependency on primary production and thereby help stabilize the provincial economy;
- (d) to increase the number, range and type of employment opportunities within the province in order to utilize more effectively the human resources of Saskatchewan; and
- (e) to increase the opportunities for people in northern Saskatchewan to participate more fully in the social, cultural and economic life of the province.

Strategies to be employed to meet the objectives include:

- (a) identification of development opportunities and assistance in their realization through coordinated application of relevant federal and provincial policies and programs, including the provision of specialized measures required for such realization; and
- (b) analysis and review of the economic and social circumstances of Saskatchewan and Saskatchewan's relationship to the regional and national economy, as these may be relevant to achieving the objectives.

The main sectors identified in the GDA as warranting special attention are: steel- and metal-related industries, forestry, agriculture, tourism, northlands, and rural and urban development.

Summaries of currently active sub-agreements follow.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Mineral Exploration and Development in Northern Saskatchewan |
| DURATION | June 21, 1974 to March 31, 1978 |
| OBJECTIVES | To accelerate Saskatchewan's economic development, create new job opportunities and increase investment opportunities by encouraging increased utilization of the province's mineral resources. |
| BACKGROUND | <p>In northern Saskatchewan, the mineral industry is the most important economic activity. Other major commodity outputs relate to fishing, trapping and forestry but unemployment and underemployment are growing problems in northern Saskatchewan. Mining activity has been concentrated in three areas within this region: Flin Flon - Hanson Lake, La Ronge and Lake Athabasca. The important minerals have been uranium, copper, gold, silver and zinc. New mines, however, will be needed to raise levels of output and employment, and basic information relating to the extent of mineralization of the area is necessary.</p> <p>The sub-agreement resulted from detailed analysis carried out by DREE and Energy, Mines and Resources with the close cooperation of Industry, Trade and Commerce.</p> <p>The sub-agreement was signed by the Minister of Justice for the Minister of DREE, the Minister of Energy, Mines and Resources, the Saskatchewan Minister of Mineral Resources and the Minister of Industry and Commerce.</p> |
| ELEMENTS | <p>The program to be undertaken in this agreement comprises the following elements:</p> <p>(a) Regional Mineral Resource Planning - a continuous in-depth assessment and forecasting of factors in the minerals sector to identify problems and/or development opportunities for the benefit of the people and economy of the province.</p> |

- (b) La Ronge - Wollaston Base Metal Exploration - an assessment of known mineral occurrences along the La Ronge - Reindeer and Wollaston axis in northern Saskatchewan.
- (c) Iron Ore Exploration - a search for a viable iron ore deposit in the Precambrian Shield of Saskatchewan, with a view to strengthening the steel industry in Saskatchewan.
- (d) Uranium Exploration - an assessment of the uranium potential of northern Saskatchewan by carrying out airborne surveys followed by ground surveys and diamond drilling, if warranted.
- (e) Industrial Minerals Exploration - an assessment of industrial minerals potential (coal, kaolin, silica sand, etc.) of the sediments at the southern edge of the Precambrian Shield in Saskatchewan. The potential of sediments for lead, zinc, manganese, uranium, tar sands and heavy oil will also be evaluated.
- (f) Reconnaissance Geoscience Surveys - an alternative to conventional geological mapping designed to rapidly assess mineral potential. To date, the provincial geological survey has mapped, in some detail, about 19 000 square miles of the Shield out of a total area of about 95 000 square miles. Priority will be given to the area south of 58° N where an additional 20 000 square miles will be surveyed over the next four years.

FINANCIAL PROVISIONS

The following is a list of projects the province will arrange to carry out under this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|--|---------------------------------|-----------------------------|--------------------------|
| Regional Mineral Resource Planning | \$ 350 000 | \$ 175 000 | \$ 175 000 |
| La Ronge - Wollaston Base Metal Exploration | 300 000 | 150 000 | 150 000 |
| Iron Ore Exploration | 500 000 | 250 000 | 250 000 |
| Uranium Exploration | 500 000 | 250 000 | 250 000 |
| Industrial Minerals Exploration | 500 000 | 250 000 | 250 000 |
| Reconnaissance Geoscience Surveys | <u>2 200 000</u> | <u>1 100 000</u> | <u>1 100 000</u> |
| TOTAL | \$4 350 000 | \$2 175 000 | \$2 175 000 |

The federal portion will be shared equally by DREE, and Energy, Mines and Resources.

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a management committee made up of a representative from Energy, Mines and Resources as co-chairman, a representative of DREE, and two representatives of the province, one of whom shall act as co-chairman.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

TITLE Iron, Steel and Other Related Metal Industries

DURATION July 4, 1974 to March 31, 1979

OBJECTIVES To enhance the viability of the existing iron and steel industry and to expand and diversify iron and steel production in Saskatchewan, which in turn will provide a substantial increase in the number and range of employment opportunities in iron, steel and other related metal industries.

BACKGROUND Based on projected trends and likely economic development possibilities, Saskatchewan would continue to fall further behind the growth that could be forecast in the other three western provinces. One possibility of overcoming this lack of growth is steel. Indications are that for the next decade or so, steel demand will exceed foreseeable supply internationally, nationally, and regionally. Statistics indicate that in the 70s and 80s there would be a large market throughout the west for a variety of steel-based products. An examination of this future demand for steel in the west, and the present production base, indicates that it is practical to increase steel capacity in the west to meet expanding market demands.

The strategy for this sub-agreement is the result of a detailed analysis which was carried out in close cooperation, and with the active participation, of the departments of Industry, Trade and Commerce; Energy, Mines and Resources; Employment and Immigration; Finance; Treasury Board; Fisheries and Environment; the Privy Council Office; and various departments within the provincial government.

The sub-agreement was signed by the Minister of DREE, the Minister of Energy, Mines and Resources and the Minister of Industry, Trade and Commerce and the Saskatchewan Minister of Industry and Commerce.

ELEMENTS

The five major elements of the sub-agreement relate to:

- (a) Iron Ore Exploration - To augment the geophysical and geological information on Saskatchewan iron ore deposits, it is proposed to undertake exploration in east-central Saskatchewan to determine if an economic iron ore body exists.
- (b) Related Studies and Administration Costs - This element of the program will identify and undertake studies related to primary and secondary iron and steel production facilities and related metal industries and cover the costs of the steel implementation committee.
- (c) Direct Ore Reduction Plant and Development and Expansion of Steel Facilities - This element relates to the promotion and establishment of a direct ore reduction plant which will produce metallized ore to be used as an addition to scrap charge for electric steel-making furnaces. It also relates to steel-making facilities required to expand the steel industry in Saskatchewan.
- (d) Foundries and Related Metal Industries - This element relates to those projects and products which will be identified from studies for development opportunities in foundries and related metal industries.
- (e) Infrastructure - An infrastructure program is proposed to provide assistance for the establishment of additional steel facilities as well as related urban infrastructure.

FINANCIAL PROVISIONS

The following is a list of projects the province will arrange to carry out under this agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Iron Ore Exploration | \$ 1 100 000 | \$ 440 000 | \$ 660 000 |
| Related Studies and Administration Costs | 1 500 000 | 600 000 | 900 000 |
| Direct Ore Reduction Plant and Development and Expansion of Steel Facilities | 150 000 000 | 4 480 000 | 25 255 000 |
| Foundries and Related Metal Industries | 25 000 000 | - | 7 465 000 |
| Infrastructure | <u>5 200 000</u> | <u>4 480 000</u> | <u>720 000</u> |
| TOTAL | \$182 800 000 | \$10 000 000 | \$35 000 000 |

The remaining \$137 800 000 is to be supplied from the private sector. A maximum of \$25 million in loan guarantees is available from the federal government with \$50 million in loan guarantees available from the provincial government.

ADMINISTRATION AND MANAGEMENT

The overall management and coordination of this agreement will be the responsibility of a steel development group consisting of four senior federal officials from DREE; Finance; Energy, Mines and Resources; and Industry, Trade and Commerce; and four senior provincial officials; and the Assistant Deputy Minister, Western Region, DREE, as an ex-officio member. Management of day-to-day activities shall be vested in a steel implementation committee consisting of one representative of DREE and one representative of the provincial Department of Industry and Commerce.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Interim Northlands |
| DURATION | August 18, 1975 to March 31, 1978 (retroactive to April 1, 1974) as amended March 30, 1977 |
| OBJECTIVES | To provide options and opportunities for the people of the area to participate in social and economic development; to encourage the development of the natural resources of the area in harmony with resource conservation; and for those residents who wish to do so, an opportunity to continue their own way of life with enhanced pride and purpose. |
| BACKGROUND | <p>Northern Saskatchewan is an area of sharp contrast to the southern part of the province in terms of population levels and distribution, standards of living, sources of income and income levels, and public participation in the social and economic life of the province. Beyond the agricultural fringe, the basic industries of the area are forestry and mining and the benefits of these industries are concentrated in a few urbanized centres. Throughout the rest of the area the people, who are almost entirely of Native ancestry, live in small remote communities. Their traditional occupations of fishing, hunting and trapping provide limited and unreliable incomes, and cultural differences, limited education and geographic isolation have been constraints on their participation in new economic development opportunities in the north.</p> <p>Over the years, this northern area has fallen behind the rest of the province in the provision of services and social amenities and serious disparities exist in levels of housing, health care, employment opportunities, and in education and cultural opportunities available to northern residents as compared to people in the rest of Saskatchewan.</p> <p>Within the southern forest and agricultural fringe portion of the area, a stronger and more diversified economic base and organized local</p> |

governments have enabled communities to provide and support basic services and facilities. But even here, a large proportion of the residents do not have full access to the level of opportunities existing elsewhere in the province.

Since they are closely linked to each other in both economic and social terms, northern development must be viewed with regard to both the remote northern area and the agricultural forest fringe. A broad range of programs are required to improve living conditions, provide work experience and skill training opportunities, improve transportation and communication facilities and services, and assist the establishment of commercial ventures. Resource conservation and improvement programs are required to protect the resources of the area and enhance their utilization.

The strategy for this sub-agreement was developed in conjunction with the departments of Indian and Northern Affairs, Employment and Immigration, Communications, Transport, and Central Mortgage and Housing Corporation, and the Saskatchewan government.

The agreement was signed by the Minister of DREE, the Minister of Transport, and the Saskatchewan Ministers of Northern Saskatchewan, and Industry and Commerce.

ELEMENTS

The major elements of the sub-agreement relate to:

- (a) Human Development and Community Services - to assist individuals and communities to improve their social and physical environment in a manner conducive to improved quality of life and participation of people in community affairs and development opportunities.
- (b) Resources and Community Economic Development - to assist in the assessment, planning, and development of resource-based and other opportunities for economic development in a manner which emphasizes and encourages value-added benefits in the area.
- (c) Transportation and Communications - to assist in providing year-round access to communities for the transportation of people, goods and services, and to assist in the planning and development and construction of pilot

communications facilities to increase the participation of people in community, provincial and national affairs.

- (d) Implementation - to assist in and encourage the development of federal and provincial capabilities to coordinate, manage and implement this agreement and a long-term development program for the Saskatchewan northlands.

| FINANCIAL PROVISIONS | ESTIMATED <u>TOTAL COST</u> | PROVINCIAL <u>SHARE</u> | FEDERAL <u>SHARE</u> |
|---|--------------------------------|----------------------------|-------------------------|
| Human Development and Community Services | \$23 600 000 | \$ 7 440 000 | \$16 160 000 |
| Resources and Community Economic Development | 2 700 000 | 1 080 000 | 1 620 000 |
| Transportation and Communications | 35 800 000 | 14 320 000 | 21 480 000 |
| Implementation | <u>1 200 000</u> | <u>480 000</u> | <u>720 000</u> |
| TOTAL | \$63 300 000 | \$23 320 000 | \$39 980 000 |

The Ministry of Transport will provide up to \$10 million of the federal share for costs related to highways and community access roads, while the Department of Indian and Northern Affairs will put up to \$2 million toward Indian Reserve projects.

ADMINISTRATION AND MANAGEMENT The general coordination of this agreement will be carried out by a management group consisting of two representatives of Canada named by the principal federal Minister, and two representatives of Saskatchewan, named by the principal provincial Minister, with one representative being the DREE Director General in Saskatchewan (federal co-chairman) and another, the Deputy Minister of the Department of Northern Saskatchewan (provincial co-chairman).

SASKATCHEWAN

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Planning |
| DURATION | August 18, 1975 to March 31, 1978 (retroactive to April 1, 1974) as amended November 19, 1976 |
| OBJECTIVES | To undertake studies for the identification and analysis of economic and socio-economic development opportunities in Saskatchewan and such planning as is required to develop strategies, programs and subsidiary agreements pursuant to those opportunities. |
| BACKGROUND | <p>Detailed analyses and studies of Saskatchewan's economic and socio-economic situation, as well as specific studies of sectors in which Saskatchewan has a significant advantage, are required to meet the increased tempo for action pacts contained in the GDA. Federal financial contributions are required to assist Saskatchewan in obtaining external professional resources in order to enable both governments to plan and implement, more effectively, the process of such action pacts.</p> <p>The agreement was signed by the Minister of DREE and the Saskatchewan Minister of Industry and Commerce.</p> |
| ELEMENTS | <p>The main element of the agreement is to make available federal and provincial funds to enable the acquisition of external staff and services required to undertake socio-economic studies.</p> <p>The studies are being undertaken in the context of stated government social policies, and will also lead to identification of areas where there can be improved coordination of existing federal and provincial programs.</p> <p>DREE will seek the cooperation of other government departments while the province's Committee of Industry and Commerce will work with other provincial departments.</p> |

FINANCIAL
PROVISIONS

The province and the federal government will share costs on a 50-50 basis.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---------------------|---------------------------------|-----------------------------|---------------------------------|
| 1974/75 Fiscal Year | \$ 600 000 | \$ 300 000 | \$ 300 000 |
| 1975/76 Fiscal Year | 1 000 000 | 500 000 | 500 000 |
| 1976/77 Fiscal Year | <u>1 000 000</u> | <u>500 000</u> | <u>500 000</u> |
| TOTAL | \$2 600 000 | \$1 300 000 | \$1 300 000 |

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a management committee composed of one senior official from each government, designated by the respective federal and provincial Ministers.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

TITLE Qu'Appelle Valley

DURATION October 6, 1975 to March 31, 1984
(retroactive to April 1, 1974)

OBJECTIVES To ensure the long-term productivity of the Qu'Appelle Valley's recreation and tourism resource base; to increase the benefits from utilization of this resource base; and to improve the management of the land and water resources of the Qu'Appelle Valley to meet existing and future demand for these resources.

BACKGROUND The Qu'Appelle Valley is a major attraction for Saskatchewan residents and potentially for Trans-Canada traffic. The water quality in the lakes must be improved and recreation developments planned in order to establish a major tourist industry. The lack of well established and upgraded cultural and historic sites along the routes and at major destinations deters through-traffic from staying for a longer period of time in the province.

Recreational and tourist development of the valley has been piecemeal and uncoordinated. The result is: an imbalance among attractions, facilities and services; great seasonality of use, alternatively overloading and underutilizing accommodations; and deterioration of the resource.

A perennial hindrance to development in the valley, and a continuing problem in other parts of the basin, is the spring flooding which follows winters of exceptional snowfall (such as the 1973-74 winter). This flooding damages homes, cottages and facilities in Moose Jaw, Regina, Lumsden and on down the valley, and causes significant financial and other hardships to farmers in the valley.

A further problem is the quality of water in the Qu'Appelle River and lakes. The effluent from the sewage facilities for Regina and Moose Jaw discharges through tributaries into the Qu'Appelle River, which increases the nutrient content of the water.

Under the Qu'Appelle Basin Study Agreement of August, 1970, the Qu'Appelle Basin Study Board, comprised of representatives of the governments of Canada, Saskatchewan and Manitoba, prepared a framework plan designed to guide the management of the water and related land resources of the basin. To give effect to the framework plan, the board made recommendations with respect to water quality, water supply, land and water use and adjustment of the flood hazard.

With this agreement, Canada and Saskatchewan have developed an integrated package of programs to be implemented over a 10-year period to solve the urgent environmental problems, establish effective management practices and develop the recreation and tourism potential of the Qu'Appelle Valley.

ELEMENTS

The program to be undertaken in this agreement comprises the following sectors:

- (a) Environmental Improvement and Management Sectors - to improve the quality of the environment of the Qu'Appelle Valley, particularly its water resources, and to establish effective environmental management to preserve the natural resources through programs related to: management of land and water resources; municipal waste treatment; and flood-prone land purchase.
- (b) Tourism and Recreation Development Sector - to pursue activities to ensure that basic services are in place, resources (attractions) are developed and preserved, and that private sector investment occurs through programs related to planning; historic/recreational corridors; tourism facilities; commercial development financial assistance; alternate land use; and community development assistance.
- (c) Implementation Sector - to ensure the coordinated implementation of activities under this agreement, a Qu'Appelle Valley implementation agency will be established under a director of implementation.

FINANCIAL PROVISIONS

The following is a list of the costs associated with the above sectors.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|---|---------------------------------|-----------------------------|--------------------------|
| Environmental Improvement and Management | \$30 600 000* | \$10 890 000 | \$11 310 000 |
| Tourism and Recreation Development | 11 500 000** | 3 850 000 | 5 650 000 |
| Implementation | <u>2 000 000</u> | <u>1 000 000</u> | <u>1 000 000</u> |
| TOTAL | \$44 100 000 | \$15 740 000 | \$17 960 000 |

* The \$8.4 million cost of one program is eligible for loan financing.

** Includes \$2 million loan financing by SEDCO.

Federal contributions will be:

| | |
|------|-------------|
| DREE | \$6 860 000 |
| DFE | 9 000 000 |
| DINA | 1 200 000 |
| IT&C | 900 000 |

ADMINISTRATION AND MANAGEMENT The agreement will be managed by a federal-provincial Qu'Appelle Valley management board comprising representatives from DREE and the federal departments of Fisheries and Environment; Industry, Trade and Commerce; Indian and Northern Affairs; and the provincial departments of Environment; Tourism and Renewable Resources; the Executive Council; plus one other to be named by the provincial co-chairman. The Director General, Saskatchewan, of DREE or his designate shall be the federal co-chairman and the Deputy Minister of the Saskatchewan Department of the Environment or his designate shall be the provincial co-chairman. The agreement also provides for the establishment of a public advisory council which will provide advice to the management board in matters of public concern.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Expand Facilities Used by Canadian Western Agribition and Mexabition |
| DURATION | July 28, 1977 to March 31, 1979 (retroactive to June 23, 1977) |
| OBJECTIVES | <p>The objectives of the agreement are:</p> <ul style="list-style-type: none">(a) to encourage the diversification of western agricultural production into livestock;(b) to ensure that the Regina-based Canadian Western Agribition continues to grow as a successful international show and sale; and(c) to improve the capability of Regina to host trade shows and demonstrations of Saskatchewan-manufactured products, with emphasis on farm machinery and equipment. |
| BACKGROUND | <p>Regina Exhibition Association facilities are used by an annual international livestock show - Canadian Western Agribition. This show is operated by the Canadian Western Agribition Association, the board of which comprises representatives of all regions of Canada. The association is a non-profit organization, which receives annual operating grants from Agriculture Canada and from several provincial governments. Sharing show dates and facilities with Agribition since 1972 is Mexabition, a show which comprises a wide range of agricultural equipment, services and products. It is operated by the Family Farm Improvement Branch of the Saskatchewan Department of Agriculture.</p> <p>The phenomenal popularity and growth of the exhibitions, however, has taxed existing facilities beyond their limits and contingency interim measures - such as large plastic tents for livestock - compromise both the health of animals and the long-term enthusiasm of visitors to the show.</p> <p>To retain the excellent participation of the public, the livestock producers and the machinery manufacturers, present facilities must be improved and expanded.</p> |

ELEMENTS

The work shall comprise the following:

- (a) construction of a new facility to accommodate livestock and machinery displays;
- (b) construction of a mezzanine-level passageway connecting major buildings in the complex;
- (c) conversion of an existing barn to a wash and groom facility as well as construction of a tunnel to connect the main barn complex with the wash and groom building and installation of concrete floors in three barns; and
- (d) a series of other major improvements including installation of insulation in three large barns; upgrading of the heating and ventilating facilities in the main livestock holding areas; improvement of the electrical facilities in all livestock buildings; and installation of refrigeration units for meat displays.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|----------------------|---------------------------------|-----------------------------|---------------------------------|
| | \$1 700 000 | \$ 850 000 | \$ 850 000 |

ADMINISTRATION AND MANAGEMENT The agreement will be managed by a joint federal-provincial management committee. The committee shall consist of the Director General, Saskatchewan, of DREE or his designate, who shall be the federal co-chairman; an official from the Department of Agriculture; the Deputy Minister of the Saskatchewan Department of Agriculture or his designate, who shall be the provincial co-chairman; an official of the Executive Council of the Government of Saskatchewan; and two non-voting ex-officio members, one each from the Canadian Western Agribition Association and the Regina Exhibition Association.

ALBERTA

ALBERTA

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) with Alberta was signed March 6, 1974, by the Minister of Regional Economic Expansion and the Minister of Federal and Intergovernmental Affairs of Alberta.

The objectives of this agreement are:

- (a) to improve opportunities for productive employment and access to those opportunities in areas or economic sectors of Alberta which, relative to other areas or sectors in Alberta, require special measures to realize development potential;
- (b) to promote balanced development among areas of Alberta and to encourage the equitable distribution of the benefits of such development; and
- (c) to reinforce the priorities of the province in respect of initiatives for its socio-economic development.

Strategies to be employed to meet the objectives included:

- (a) identification of development opportunities and assistance in their realization through coordinated application of relevant federal and provincial policies and programs, including the provision of specialized measures required for such realization; and
- (b) analysis and review of the economic and social circumstances of Alberta and Alberta's relationship to the regional and national economy, as these may be relevant to achieving the objectives.

The main sectors identified in the GDA as warranting special attention are: economic development including resource-based industries where special measures are required to encourage their full utilization; encouragement of community development in the non-major urban service centres and rural communities; socio-economic development including the provision of capital facilities such as housing, sewage and water systems, roads and other infrastructure required to take optimum advantage of economic development opportunities.

Summaries of currently active sub-agreements follow.

ALBERTA

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Interim North |
| DURATION | March 11, 1975 to March 31, 1978 (retroactive to April 1, 1974) as amended January 21, 1976 and March 24, 1977 |
| OBJECTIVES | To improve incomes and employment opportunities, living standards and community facilities in northern Alberta and thus enable the people of the area to participate more actively in northern development. |
| BACKGROUND | <p>The northern section of Alberta is part of a larger area referred to as the Western Northlands which is not a region in the traditional sense but is rather a region characterized by a community of human, social and economic factors that are unique.</p> <p>A number of initiatives related to the Western Northlands were developed for the Western Economic Opportunities Conference by DREE in cooperation with such other federal agencies as EMR, MOT and DINA. These initiatives proposed a joint and highly integrated federal and provincial effort to put into place programs to increase development in the Western Northlands and to encourage more involvement of northern residents in improved economic and social development of their region. It was intended that these initiatives would be undertaken through a series of subsidiary agreements with each of the provinces concerned.</p> <p>Initially it was intended that the Interim Subsidiary Agreement on Alberta North, signed March 11, 1975, would be superseded by a longer-term agreement by March 31, 1976. However, in order to provide the additional time required to complete negotiations towards development of the long-term agreement, and in order to allow for continuation of programs, the interim subsidiary agreement was amended on January 21, 1976, extending its duration to March 31, 1977.</p> |

ELEMENTS

Programs may be undertaken pursuant to the terms of this agreement from within the following three main sectors:

- (a) Life Improvement and Community Services - Programs in this sector are intended to provide the social, cultural and physical environment required to assist individuals, families, and communities to take advantage of the development opportunities available to them.
- (b) Community Economic Development - The major objectives of this sector are to stimulate a range of economic development opportunities for community groups and individuals in northern Alberta.
- (c) Planning and Management - This section provides for the research, planning and program development required to implement the interim agreement and to plan for a longer-term subsidiary agreement.

FINANCIAL PROVISIONS

The following schedule indicates the program cost estimates as set out in Schedule "B" of the agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Life Improvement and Community Services | \$11 948 064 | \$5 974 032 | \$5 974 032 |
| Community Economic Development | 2 207 664 | 1 103 832 | 1 103 832 |
| Planning and Management | <u>268 000</u> | <u>134 000</u> | <u>134 000</u> |
| TOTAL | \$14 423 728 | \$7 211 864 | \$7 211 864 |

ADMINISTRATION AND MANAGEMENT Supervision of the agreement is carried out by a joint committee consisting of a representative of each of the two levels of government concerned.

ALBERTA

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Nutritive Processing Assistance |
| DURATION | March 11, 1975 to March 31, 1980 (retroactive to July 1, 1974) as amended April 5, 1976 |
| OBJECTIVES | <p>The objectives of the agreement are to:</p> <ul style="list-style-type: none">(a) strengthen the economic viability of the small rural community; and(b) further process in Alberta those nutritive products which have, or may achieve, a competitive position in national or export markets and thereby to increase the quality of life options of rural residents; to increase the net income available to rural families; and to slow the movement of population from the rural community to the major metropolitan centres. |
| BACKGROUND | <p>The Alberta economy, while relatively strong in terms of general economic indicators, is characterized by a tendency to concentrate development both sectorally and geographically within the province. The province desires to produce balanced economic development, both in terms of higher rural/urban balance of job opportunities, and of diversification of the primary resource sectors.</p> <p>Economic and socio-economic standards in the major urban centres are generally high. There exist, however, many small rural communities which are unable to provide the productive employment opportunities or levels of social amenities necessary to permit their citizens to participate in and benefit from the development of Alberta. Many of these communities, although possessing the human and natural resource potential necessary for a viable community, are faced with the prospect of stagnation or decline unless means are devised to improve opportunities for productive employment and provide a better social environment.</p> |

Basically the province wishes to geographically diversify industrial growth outside the major urban centres. In addition, it wishes this geographical dispersion to incorporate a diversification of the economic base in order to avoid possible future adverse consequences which may result from a heavy reliance on the oil and gas industry.

Achievement of the above objectives could lead to a greater range of social and economic opportunities for a large number of rural Albertans. Social options in the form of varied career opportunities in the new processing industries and growth of the related service industry could be a direct result. Indirectly, the quantity and quality of social amenities should increase as a by-product of community growth and increased incomes. In addition to the increases in personal and family incomes, other economic benefits could be increased employment and a greater provincial share of value-added being generated from primary products which now leave the province.

The dispersion of processing plants may result in increased transportation, distribution, and infrastructure costs. Such costs will be incurred because new processing plants locating away from the large metropolitan centres will demand improvements in these services in order to function efficiently.

The constraints in accomplishing these objectives are both internal and external. Internal constraints are mainly those faced by locating new processing capacity in small centres. They include higher borrowing rates, credit limitations and the costs of reduced economies of scale. In addition, there are economic and institutional factors which individually may appear insignificant, but when combined can present constraints to development in rural areas. A few of the more common factors which could fall into this category are provision of utilities, insurance, fire protection and other specialized services.

The constraints previously discussed are basically economic in nature. There are other constraints which should be identified to complete the analysis. For example, many times the managers of small processing plants lack the entrepreneurial skills necessary to take

advantage of new opportunities, and they may find the financial burden of purchasing such skills prohibitive. In addition, the array of skills necessary to operate a new processing plant may be lacking in the local area.

This agreement on nutritive processing is intended to assist in accomplishing the provincial rural development objectives.

The strategy of this sub-agreement is the result of a detailed analysis which was carried out in close cooperation with, and the active participation of the departments of Industry, Trade and Commerce; Agriculture; Finance; and Treasury Board; and the Alberta government.

The agreement was signed by the Minister of DREE and the Alberta Minister of Federal and Intergovernmental Affairs.

ELEMENTS

The elements of this program relate to a:

- (a) Development Assistance Program which shall take the form of a financial incentive to nutritive processing facilities;
- (b) Public Information and Technical Service Program which will provide financial support for those information and technical consulting activities that are required to facilitate implementation of the agreement as well as a program of public information which will inform the public of this agreement's provisions, and ensure proper recognition of the contribution of both parties to this agreement; and
- (c) Sheep Industry Development Program which will provide sheep slaughter facilities at Innisfail.

FINANCIAL
PROVISIONS

The following are the cost estimates provided for
in the agreement.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Development Assistance Program | \$15 798 000 | \$7 899 000 | \$7 899 000 |
| Public Information and Technical Service | 400 000 | 200 000 | 200 000 |
| Sheep Industry Development Program | <u>802 000</u> | <u>401 000</u> | <u>401 000</u> |
| TOTAL | \$17 000 000 | \$8 500 000 | \$8 500 000 |

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a joint
committee consisting of one representative of
each government as designated by the federal-
provincial general development committee.

ALBERTA

SUBSIDIARY AGREEMENT

| | |
|-------------------------------|--|
| TITLE | 1976-79 Northern Transportation |
| DURATION | February 18, 1977 to March 31, 1979 (retroactive to April 1, 1976) |
| OBJECTIVES | To enable Canada and the province to provide financing for improvements to specified transportation facilities in northern Alberta in support of economic and socio-economic development, and in support of development of an efficient national transportation system. |
| BACKGROUND | In July 1973, the Western Economic Opportunities Conference was held to discuss and explore potential for economic and social development in western Canada. It was agreed at that time that Canada and Alberta would participate in a Western Northlands program to assist with improvements to the transportation system in support of industrial and socio-economic development in the northern portion of the province. Since that time, it has been understood that the federal government would provide up to \$5 million annually (shared equally between MOT and DREE) toward the cost of improving transportation facilities in northern Alberta. This is the third such agreement, the first two covered the fiscal years 1974-75 and 1975-76. |
| ELEMENTS | Activity under the Canada/Alberta transportation agreement includes expenditures on projects for roads and bridges as well as for airstrip construction. |
| FINANCIAL PROVISIONS | By agreement, expenditures shall be cost-shared on a 50/50 basis between Canada and the province. The maximum expenditure by Canada is limited to \$15 million, funded equally by MOT and DREE. |
| ADMINISTRATION AND MANAGEMENT | Supervision of the agreement is carried out by a joint committee composed of two representatives of each government. Transport will be represented. |

BRITISH COLUMBIA

BRITISH COLUMBIA

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) with British Columbia was signed March 28, 1974 by the Minister of Regional Economic Expansion for Canada and the Minister of Economic Development for British Columbia.

The objectives of this agreement are:

- (a) to improve opportunities for productive employment and access to those opportunities in areas or economic sectors of British Columbia which, relative to other areas or sectors of the province, require special measures to realize development potential; and
- (b) to promote balanced development among areas of British Columbia and to encourage the equitable distribution of the benefits of such development.

The strategy to attain these objectives includes directed sectoral and spatial diversification with encouragement, by federal and provincial actions, of specific key industries capable of providing essential catalysts to development in selected areas or sector opportunities of the province. Such encouragement is to be coordinated with and supported by investments in human resource development and social and economic overhead capital investments.

The main sectors identified in the GDA as warranting special attention are: application of coordinated action to significant development opportunities that will activate underutilized or uncommitted resources, initially in the northwest, the Kootenays and the northeast. Development opportunities will be pursued that increase and progressively maximize higher value-added processing and manufacturing of the resource base. This will be aided by major transportation services that will assist in increasing viability and access, including those in relation to the Pacific market areas. In addition, major opportunities exist in the development of the recreation sector of the province, especially in conjunction with economic development and environmental improvement.

Summaries of currently active sub-agreements follow.

BRITISH COLUMBIA

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Fort Nelson |
| DURATION | September 23, 1975 to March 31, 1978 (retroactive to September 23, 1974) |
| OBJECTIVE | To provide assistance which will help alleviate the serious economic and social problems now being experienced by the community of Fort Nelson because of the inadequacies of the infrastructure available in that community. |
| BACKGROUND | <p>Fort Nelson is experiencing serious problems in the provision of adequate water and sewer services. These services were originally constructed in 1961 to service a very small primary-resource-based community. Rapid industrial expansion and increased population in recent years has put these systems in a situation of serious deficiency.</p> <p>These inadequacies threaten the continuation of community and industrial development as well as seriously impeding the potential future expansion in the forestry, transportation and recreation sectors in the next decade.</p> <p>With this agreement, Canada and British Columbia have developed a program to upgrade and expand the water and sewer systems in the community to provide an adequate level of services to the present residents and for a larger population expected to be attracted to this area.</p> |
| ELEMENTS | <p>The project descriptions of the infrastructure program to be undertaken in this agreement are as follows:</p> <p>(a) Water System Improvements - This project will include the construction of a new intake system, booster station and transmission line to the new water reservoir, a filtration plant, clarifier, clear-water storage reservoir and transmission main, and the upgrading of the distribution system.</p> |

- (b) Sewage System Improvements - This project will include the construction of a new sewage lagoon and a sewage interceptor program.

FINANCIAL
PROVISIONS

The following is a list of the costs associated with the above projects.

| | <u>ESTIMATED TOTAL COST</u> | <u>MUNICIPAL SHARE</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|-------------------------------|---------------------------------|----------------------------|-----------------------------|--------------------------|
| Water System Improvements | \$4 400 000 | \$ 600 000 | \$1 900 000 | \$1 900 000 |
| Sewage System Improvements | <u>2 600 000</u> | <u>400 000</u> | <u>1 100 000</u> | <u>1 100 000*</u> |
| TOTAL | \$7 000 000 | \$1 000 000 | \$3 000 000 | \$3 000 000 |

*This is an estimate of the eligible loan forgiveness and high cost assistance grant that may be approved under Part VIII of the National Housing Act through Central Mortgage and Housing Corporation. The referred-to sewer project is also eligible for a Part VIII loan under the National Housing Act in an estimated amount of \$1 436 000.

ADMINISTRATION
AND MANAGEMENT

The agreement will be managed by a joint federal-provincial implementation committee. The committee shall consist of one representative from each of the Department of Economic Development and the Department of Municipal Affairs for British Columbia, and DREE and Central Mortgage and Housing Corporation for Canada.

BRITISH COLUMBIA

SUBSIDIARY AGREEMENT

| | |
|----------------------|--|
| TITLE | 1976-79 Northern Highways |
| DURATION | March 31, 1977 to March 31, 1979 (retroactive to April 1, 1976) |
| OBJECTIVES | <p>To encourage the orderly development of northern British Columbia by providing improved road or highway access to areas with resource development potential.</p> <p>To improve the highway system in the area to increase opportunity for its people to contribute to and participate in the development of their communities, the region and the province.</p> <p>To improve the overall efficiency of the highway system and to ensure balance and contiguity between different modes of transportation in both a regional and a national context.</p> |
| BACKGROUND | <p>In July 1973, the Western Economic Opportunities Conference was held to discuss and explore potential for economic and social development in western Canada. It was agreed at that time that Canada and British Columbia would participate in a western northlands program to assist with improvements to the transportation system in support of industrial and socio-economic development in the northern portion of the province. Since that time, it has been understood that the federal government would provide up to \$5 million annually (shared equally between MOT and DREE) toward the cost of improving transportation facilities in northern British Columbia. This is the third such agreement, the first two covering the fiscal years 1974-75 and 1975-76.</p> |
| ELEMENTS | <p>Activity under the Canada-British Columbia transportation agreement includes expenditures on projects involving highway and bridge construction.</p> |
| FINANCIAL PROVISIONS | <p>By agreement, expenditures shall be cost-shared on a 50/50 basis between Canada and the province. The maximum expenditure by Canada is limited to \$15 million, funded equally by MOT and DREE.</p> |

ADMINISTRATION
AND MANAGEMENT

Supervision of the agreement is carried out by a joint committee composed of one representative from each of the B.C. Ministry of Highways and Public Works, B.C. Ministry of Economic Development, and for Canada, DREE and Transport.

BRITISH COLUMBIA

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Northeast Coal and Related Developments |
| DURATION | 1st Agreement January 28, 1977 to March 31, 1977 2nd Agreement May 10, 1977 to March 31, 1978 (retroactive to April 1, 1977) |
| OBJECTIVES | To identify and evaluate the economics of the coal resources, the transportation options in terms of road, rail and port facilities, the requirements for environmental protection, the financial and other implications for supporting communities, the labour force and training needs and the development that could be triggered in other sectors by the proposed activity in the coal fields. |
| BACKGROUND | <p>The northeast has experienced above average unemployment rates, but more recently there have been marked periods of labour shortages, especially in the skilled and professional occupations. Local economic activity is seasonal and tends to be unstable. These factors combine with the relative remoteness of the area to cause a number of social and community concerns which in turn have drawn attention to the inadequacy of many social and community services and infrastructure, particularly the lack of both suitable housing and leisure-time activities.</p> <p>In viewing the potential of the area, the analysis produced from the studies conducted under the interim planning agreement suggests that the sources of any sustained future expansion in the population and local economy lie with the economic development of the area's natural resources, and most particularly the coal and forest resources. Many mining companies have obtained licences to explore for coal in northeast British Columbia, and in recent years it has become clear that these underdeveloped coal fields constitute a major resource whose magnitude has been estimated to run into billions of tons of coal in place. Already there are indications that annual production from the three major mining companies involved could be of the order of 10 million tons of coal by the mid-1980s.</p> |

ELEMENTS

The major elements of the second agreement are:

- (a) Coal Resource - expand baseline information of the area's coal resources and evaluate the mineability of the coal.
- (b) Transportation - survey and analyze road and rail access routes and possibly undertake highway construction and port development planning.
- (c) Environmental Studies - study vegetation, soils and climate and coordinate the environmental response to development proposals.
- (d) Townsite/Community Development - analyze the impact of development on existing communities and, as decisions are made, on the new townsites.
- (e) Manpower/Human Resources - study manpower requirements during the construction and operational phases, design training programs for local residents and evaluate labour force turnover and its effects.
- (f) Economic and Financial Analyses - provide marketing analyses, critical path analysis for the development phase, and financial and economic analyses of transportation, community development and technical alternatives.

| FINANCIAL PROVISIONS | ESTIMATED TOTAL COST | PROVINCIAL SHARE | FEDERAL SHARE (DREE) |
|----------------------|-------------------------|---------------------|-------------------------|
| 1st Agreement | \$ 3 000 000 | \$1 500 000 | \$1 500 000 |
| 2nd Agreement | 10 000 000 | 5 000 000 | 5 000 000 |

| | |
|-------------------------------|---|
| ADMINISTRATION AND MANAGEMENT | Supervision will be carried out by a management committee consisting of one representative each from the British Columbia Ministries of Economic Development, Mines and Petroleum Resources and Energy, Transport and Communications; and for Canada, DREE, Energy, Mines and Resources, and Transport. |
|-------------------------------|---|

BRITISH COLUMBIA

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Industrial Development |
| DURATION | July 8, 1977 to March 31, 1982 |
| OBJECTIVES | <p>To encourage greater sectoral and spatial diversification of economic activity in the Province of British Columbia and thereby improve opportunities for productive employment in the target area and achieve a more balanced level of development among the different areas of the province.</p> |
| BACKGROUND | <p>The realization of the federal and provincial objectives to diversify and distribute economic activity throughout British Columbia requires a program of assistance designed to overcome the disadvantages of locating manufacturing activities away from the already highly developed centres. The thrust of such a program would be to, stimulate manufacturing and support those parts of British Columbia presently on, or close to the major transportation routes. For the most part this would include, but not be limited to, the Prince Rupert - Prince George - Kamloops corridor, and the corridor served by Highway 3.</p> <p>In support of a program of industrial incentives, a research effort is needed to identify viable manufacturing opportunities. Also included would be support for regional industrial development commissions which would play an active role in support of the diversification and dispersion goals of the two senior levels of government.</p> |
| ELEMENTS | <p>The elements of this subsidiary agreement are:</p> <p>(a) Research</p> <ul style="list-style-type: none">- to provide the information and analysis necessary to implement the other elements of the agreement and to ensure that the developmental objectives of the federal and provincial governments are rationally attained. |

(b) Community Industrial Development

- to encourage the development of well-trained and effective industrial development capabilities in each of the main economic regions of the province;
- to ensure the existence of adequate competitively priced industrial land in the key regional centres which have been identified as potential growth areas in the province; and
- to encourage and facilitate orderly development and efficient growth patterns in British Columbia by supporting industrial development in industrial parks, or in special cases in industrial malls, or advance factory space.

(c) Industrial Assistance

- to encourage and assist the modernization, expansion or establishment of small business enterprises, which because of size or function would not normally meet the criteria of existing incentive programs.

(d) Public Information

- to provide for the preparation and distribution of public information material.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|----------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Research | \$ 3 850 000 | \$ 1 925 000 | \$ 1 925 000 |
| Community Industrial Development | 61 000 000 | 30 500 000 | 30 500 000 |
| Industrial Assistance | 5 000 000 | 2 500 000 | 2 500 000 |
| Public Information | <u>150 000</u> | <u>75 000</u> | <u>75 000</u> |
| TOTAL | \$70 000 000 | \$35 000 000 | \$35 000 000 |

ADMINISTRATION AND MANAGEMENT This agreement will be managed by a joint federal-provincial industrial development committee. The committee shall consist of a representative of DREE who shall be the federal

co-chairman; an official from Industry, Trade and Commerce; an ex-officio member from the Federal Business Development Bank; two representatives from the British Columbia Ministry of Economic Development, one of whom shall be the provincial co-chairman; and an ex-officio member from the British Columbia Development Corporation.

BRITISH COLUMBIA

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Agriculture and Rural Development |
| DURATION | August 1, 1977 to July 31, 1982 (signed July 8, 1977) |
| OBJECTIVES | <p>The objectives of this agreement are to:</p> <ul style="list-style-type: none">(a) identify, research, plan and pursue new or unexploited projects related to agriculture and rural development;(b) expand employment in those existing aspects of the agriculture industry and food-processing industry in British Columbia which demonstrate production and market potentials; and(c) improve the viability of the existing industries to sustain growth. |
| BACKGROUND | <p>Agriculture and rural development have been identified as vital components of the economic development strategy in British Columbia. Rising energy and labour costs and changing market conditions necessitated major adjustments in the agriculture sector over the last five years. During this period, increasing environmental and land-use concern led to major changes in government agricultural policy in British Columbia. Studies, therefore, were undertaken by both Canada and British Columbia on specific agricultural sectors and a number of development constraints and opportunities were investigated.</p> <p>In 1976 the British Columbia Department of Agriculture initiated an agriculture planning committee which had input from other federal and provincial departments. On the basis of this Committee's work, a policy paper was prepared outlining agricultural development policy proposals for the British Columbia Department of Agriculture. These policy initiatives were endorsed by the provincial Cabinet and form the basis of this agreement.</p> |

(a) Research, Planning, Training and Market Promotion

- to provide rural planning by geographical areas within which initiatives may be developed by government, municipalities and residents;
- to support pilot demonstrations designed to test new techniques and approaches that will improve or increase production and to identify specific employment opportunities;
- to provide meaningful opportunities for participants in the agricultural industry through consultation and coordination with governments in planning projects; and
- to provide the mechanism required to encourage the emergence of latent entrepreneurs to develop new and/or existing opportunities in this sector.

(b) Coordinated Resource Management

- to develop and improve the grazing capacity of Crown range in order to utilize the forage production of this resource; and
- to optimize multi-use possibilities and thereby support and stabilize the beef industry in harmony with forestry, recreation and wildlife interests.

(c) Primary Resource Development

- to increase the production capability of the underdeveloped land resource, within the framework of those primary products which show market and production potential.

(d) Support Services and Community Development

- to provide the support services needed in rural areas to develop the agricultural industry to secondary processing and value-added stages, thereby improving stability and rural employment opportunities.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>LOCAL SHARE</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---|------------------------|-----------------------------|---------------------------------|
| Research, Plan- ning, Training and Market Promotion | \$ 4 950 000 | - | \$ 2 475 000 | \$ 2 475 000 |
| Coordinated Research Management | 22 000 000 | \$2 200 000 | 9 900 000 | 9 900 000 |
| Primary Resource Development | 20 000 000 | 5 000 000 | 7 500 000 | 7 500 000 |
| Support Services and Community Development | <u>39 800 000</u> | <u>19 550 000</u> | <u>10 125 000</u> | <u>10 125 000</u> |
| TOTAL | \$86 750 000 | \$26 750 000 | \$30 000 000 | \$30 000 000 |
| ADMINISTRATION AND MANAGEMENT | A joint federal-provincial management committee will be established consisting of at least two representatives from each of Canada and the Province of British Columbia. | | | |

ANNEX
EXPIRED SUBSIDIARY
AGREEMENTS

ANNEX

EXPIRED SUBSIDIARY AGREEMENTS

| | <u>SIGNED</u> | <u>TERMINATED</u> |
|---|----------------------|----------------------|
| NEWFOUNDLAND | | |
| Highways - 1974-75 | 28/05/74 | 31/03/75 |
| Highways - 1975-76 | 28/05/75 | 31/03/76 |
| NEW BRUNSWICK | | |
| Highways - 1974-75 | 24/06/74 | 31/03/75 |
| King's Landing Historical Settlement | 17/02/75 | 31/03/77 |
| Miramichi Channel Study | 17/02/75 | 31/03/75 |
| Highways - 1975-76 | 16/12/75 | 31/03/76 |
| Highways - 1976-77 | 24/06/76 | 31/03/77 |
| QUEBEC | | |
| Industrial Studies | 29/03/76 | 31/03/77 |
| ONTARIO | | |
| Cornwall Area | 26/02/74 | 31/03/77 |
| Dryden Development Infrastructure | 24/03/75 | 31/03/77 |
| Interim Northlands | 07/07/75 | 31/08/77 |
| MANITOBA | | |
| Interim Northlands Planning | 05/06/74 11/02/75 | 31/03/76 31/03/77 |
| ALBERTA | | |
| 1974-75 Northern Transportation | 28/08/74 | 31/03/75 |
| 1975-76 Northern Transportation | 21/01/76 | 31/03/76 |
| BRITISH COLUMBIA | | |
| 1974-75 Northern Highways | 28/08/74 | 31/03/75 |
| 1975-76 Northern Highways | 12/02/76 | 31/03/76 |
| Evaluate Northeast Coal and Related Developments | 28/01/77 | 31/03/77 |

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FEDERAL-PROVINCIAL SUBSIDIARY AGREEMENTS

SUMMARIES

MAY 1979



Government
of Canada

Gouvernement
du Canada

Regional
Economic
Expansion

Expansion
Économique
Régionale



SUMMARIES OF
FEDERAL-PROVINCIAL
GENERAL DEVELOPMENT AGREEMENTS
AND
CURRENTLY ACTIVE
SUBSIDIARY AGREEMENTS

DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

May 1979

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ADDENDUM

Subsidiary Agreements signed between
May 31 and September 30, 1979

Newfoundland

- 1) Stephenville Mill Conversion (\$15 million)
and Reactivation Subsidiary (federal share - \$13.5
Agreement million)
(provincial share -
\$1.5 million)
 - . Provision of a contribution of not more than \$15
million towards the cost of conversion and reactivation of the former Labrador Linerboard Limited Mill at Stephenville by the Abitibi Paper Company Limited. (Signed June 11, 1979.)
- 2) Industrial Development (\$26.65 million)
Subsidiary Agreement (federal share - \$23.985
million)
(provincial share -
\$2.665 million)

Projects include:

- a) Country Road Industrial Park - construction and servicing of a 75-acre industrial park in the Country Road area of Corner Brook.
- b) Country Road Industrial Park Access Road - construction of a road to provide direct access to the Trans Canada Highway and the urban street system.
- c) Stephenville Industrial Access Road - construction of a road to provide efficient access from the Trans Canada Highway to the industrial area and highways west of Stephenville.
- d) Program evaluation - including public information activities. (Signed June 11, 1979.)

INTRODUCTION

This is the fourth in a series of similar publications intended to provide the substance of the federal-provincial General Development Agreements and their subsidiary agreements, signed since early 1974. A brief description of the nature and purpose of these agreements can be found below. The publication includes summaries of each General Development Agreement and each subsidiary agreement that was in effect as of May 31, 1979. A list of subsidiary agreements that expired prior to that date can be found on page 273. Summaries of the latter were included in earlier versions of this publication, dated December 1975, December 1976 and December 1977.

Since 1974, General Development Agreements (GDAs) have been signed with all provinces except Prince Edward Island, which signed a 15-year Comprehensive Development Plan in 1969. The purpose of these GDAs is to enable the federal government and the provinces to cooperate in improving the number and quality of, and access to, long-term employment opportunities. The GDAs contain brief references to the economic background of each province, record agreed development objectives for the province, and outline the strategies required to meet the objectives.

The vehicles by which the strategies and objectives of the GDAs are to be met are subsidiary agreements, which are signed with each province as a follow-up to the GDAs where initiatives are to be undertaken by both Canada and the province. Each subsidiary agreement has a financial limitation and a fixed cost-sharing arrangement with the province, with provisions for monitoring the implementation of programs and projects under the agreement. Each also includes appropriate provisions regarding the evaluation of its operation to ensure consistency with the objectives and strategies of the GDA. Wherever possible, DREE involves other federal government departments in order to take full advantage of the funding available through programs of all departments and consults with them to benefit from their expertise.

The General Development Agreements are 10-year agreements which are reviewed regularly, in consultation with the particular province and other federal government departments, to evaluate progress and to consider the implementation of new development initiatives based on an on-going analysis of each province's socio-economic circumstances.

To May 31, 1979, eleven General Development Agreements and 103 subsidiary agreements had been signed. The following summaries of the active agreements are designed as brief reference notes. Copies of the agreements may be obtained from the Public Information Services Branch of the Department of Regional Economic Expansion, Ottawa, Ontario, K1A 0M4.

NEWFOUNDLAND

NEWFOUNDLAND

GENERAL DEVELOPMENT AGREEMENT

The Canada-Newfoundland General Development Agreement (GDA) was signed on February 1, 1974.

The objectives of the GDA are to increase the number and quality of long-term employment opportunities in Newfoundland and to improve access to those opportunities, while permitting people to enjoy improved living standards.

These objectives are being pursued through federal-provincial cooperation in economic and socio-economic areas to:

- (a) improve utilization of natural resources;
- (b) develop potentials arising out of the geographic location of Newfoundland in the North Atlantic;
- (c) maximize the retained values of activities in the province by increasing the capability of business in the province to participate on a viable basis in supplying goods and services demanded by provincial, national and international markets;
- (d) ensure that the Newfoundland labour force has the capability to benefit from and contribute fully to the initiatives to be undertaken; and
- (e) increase the capability of both public and private sectors in the province to identify and realize opportunities.

Within the general strategy of this agreement, the two governments are cooperating on a continuing basis to identify development opportunities and encourage their realization. In addition to other development opportunities that may be agreed upon during the term of this agreement, a number of areas for action have been identified. These include forestry, fisheries, agriculture, tourism, ocean science and technology, minerals, manufacturing and integrated initiatives.

An important requirement for an increased rate of development is a significantly greater capacity in both the public and private sectors for planning and implementation activity. This capacity will be supported through provision of assistance for major studies and supplementary provincial manpower resources for planning and implementation.

The Newfoundland economy has been unable to provide the level of investment in infrastructure reached in other parts of Canada, resulting in significant deficiencies in the basic infrastructure required for development. The GDA seeks to remedy this situation.

Summaries of currently active subsidiary agreements follow.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Forestry |
| DURATION | April 26, 1974 to September 30, 1979 (retroactive to June 1, 1973) as amended January 27, 1975, April 15, 1976, June 20, 1977, March 31, 1978, July 17, 1978 and January 15, 1979 |
| OBJECTIVES | To increase employment and income opportunities in the province's forestry sector by improving resource management and forest utilization and by taking advantage of opportunities to diversify and expand forest utilizing industries. |
| BACKGROUND | <p>Between July 1972 and March 1973, a federal-provincial task force on which a number of federal and provincial departments were represented made an exhaustive study of the Newfoundland forest resource and forest-based industries. This study concluded that, based on the market prospects for newsprint, linerboard, lumber and wood-based panel products, it was possible to expand forestry production in Newfoundland if the provincial forest resource potential was improved. It was suggested that increased amounts of commercial timber could be harvested under more intensive management of the forestry resource. It also recommended improved harvesting techniques together with better methods of resource allocation and utilization. The opportunity is important to Newfoundland since the potential exists to generate approximately 2 400 new jobs over the next four to five years and to stabilize the current employment of 8 500 in the forest-industry sector.</p> <p>Following this study, a subsidiary agreement was developed by DREE in consultation with the province and the federal departments of Fisheries and the Environment, and Agriculture. It was signed by the Minister of DREE and the Newfoundland Minister of Forestry and Agriculture.</p> |
| ELEMENTS | <p>The key elements of the agreement include:</p> <ol style="list-style-type: none">1. the acquisition of certain forest lands held by private owners in order to accelerate the growing of future commercial timber crops; |

2. the establishment of forest management units to provide the forest service with the tools for forest management;
3. the upgrading of the technical capability of both the Newfoundland Forest Service and private enterprise in forest management and utilization by increasing efficiency in timber management, harvesting, hauling, and processing operations;
4. the provision of access to mature and over-mature stands, forest improvement and forest protection;
5. the establishment of an intensive forest inventory in order to compile information on the forest resources of the province;
6. modernization of the communications system and the Canso water bomber fleet to increase the ability to protect the forest from fire, insects and disease;
7. the introduction of a forest-improvement program which will initiate, within the management units, steps to increase future yields of the forest, including fertilization, commercial and pre-commercial thinning, and reforestation; and
8. the increase of the size and operational capability of the Newfoundland Forest Service in order to upgrade the service.

FINANCIAL PROVISIONS

The following is a list of projects which have been identified under the agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Acquisition of Forest Lands | \$ 4 228 600 | \$2 114 300 | \$ 2 114 300 |
| Forest Management | 371 900 | 37 190 | 334 710 |
| Harvesting, Utili- zation, Research and Development | 10 263 500 | 1 026 350 | 9 237 150 |
| Access Road Construction | 17 411 500 | 1 741 150 | 15 670 350 |
| Intensive Forest Inventories | 3 191 400 | 319 140 | 2 872 260 |
| Protection of Forest Resource | 3 940 700 | 394 070 | 3 546 630 |
| Forest Improvement | 6 076 000 | 607 600 | 5 468 400 |
| Administration of the Forest Resource | <u>9 483 000</u> | <u>948 300</u> | <u>8 534 700</u> |
| TOTAL | \$54 966 600 | \$7 188 100 | \$47 778 500 |

ADMINISTRATION AND MANAGEMENT A management committee composed of senior officials designated by the federal and provincial ministers is responsible for the administration of the agreement. Both DREE and Fisheries and the Environment are represented on the committee.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Gros Morne Park Area Development |
| DURATION | May 28, 1974 to March 31, 1980 (retroactive to June 1, 1973) as amended December 22, 1975, August 20, 1976, April 22, 1977 and May 31, 1978 |
| OBJECTIVES | To create new employment and income opportunities in the area through the development of the potential of the park and to ensure that local residents are able to take advantage of these opportunities. |
| BACKGROUND | <p>Recognition of the outstanding scenic appeal and high recreational capability of the Gros Morne area on the west coast of Newfoundland led to the establishment, in 1973, of a 750-square-mile national park. In 1970, a tentative agreement between Canada and Newfoundland on the establishment of the park provided for the complete relocation of five of the 23 small communities within the park. The other 18 communities would be allowed to remain in four enclaves within the park, servicing the park itself and the tourists expected to visit the area.</p> <p>Resistance to relocation led to the reopening of negotiations on this aspect of the agreement. In 1973, the federal Minister of Indian and Northern Affairs agreed that no resident of the park communities would be forced to move, but that Canada stood ready to share with the province the cost of providing fair and just options to the people concerned.</p> <p>The people of this area have traditionally experienced high unemployment rates and low incomes. Since the already weak economic base of the area has been reduced still further by controls over the resources within the park, the major strategy for improving employment and earnings is in servicing the park itself and the tourist trade attracted to the area.</p> <p>This subsidiary agreement was developed in consultation with the federal departments of Employment and Immigration, and Indian and Northern Affairs. It was signed by the Minister of DREE and the Newfoundland Minister of Forestry and Agriculture.</p> |

- ELEMENTS The major elements of this subsidiary agreement include:
- (a) planning studies and development programs focusing on ways in which the potential demand for tourist services can be met, and development of inshore sports fishing;
 - (b) community infrastructure of water and sewer systems, residential land development and a solid-waste disposal system; and
 - (c) road and bridge construction and upgrading between and through the enclave communities.

Also included are technical supervision and related expenses, and evaluation/impact studies.

FINANCIAL The following is a list of projects identified
PROVISIONS under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Planning Studies and Development Programs | \$ 270 000 | \$ 27 000 | \$ 243 000 |
| Community Infrastructure | 15 987 200 | 1 598 720 | 14 388 480 |
| Road Construction | 6 448 000 | 644 800 | 5 803 200 |
| Technical Supervi- sion & Related Expenses | 130 000 | 13 000 | 117 000 |
| Evaluation/ Impact Studies | <u>100 000</u> | <u>10 000</u> | <u>90 000</u> |
| TOTAL | \$22 935 200 | \$2 293 520 | \$20 641 680 |

ADMINISTRATION A management committee composed of senior
AND MANAGEMENT officials designated by the federal and
 provincial ministers is responsible for the
 administration of the agreement. The federal
 membership includes representatives from DREE and
 Indian and Northern Affairs.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

TITLE Ocean Research and Development (NORDCO)

DURATION May 23, 1975 to March 31, 1980 (retroactive to January 1, 1975) as amended March 6, 1979

OBJECTIVES To stimulate the development of marine technology within the province and to foster the establishment of marine ice-related industries. It also seeks to ensure that the Newfoundland business community becomes fully involved in marine resource development in the adjacent ice-congested waters.

BACKGROUND The continental shelf off Newfoundland is one of the world's largest, stretching nearly 1 400 miles from northern Labrador to the Grand Banks. This continental shelf has a substantial oil and gas potential. At present, there is a world shortage of expertise and experience in operating in ice-infested waters. The ability to exploit these undersea oil and gas resources could be of great benefit to Newfoundland and Canada, and as an economic development opportunity available to the province, could provide a multitude of new jobs over the next two decades. Successful exploitation of this opportunity through NORDCO could give Newfoundland a leadership role in ice-related technology and experience.

As a means of achieving these objectives, the province incorporated a limited liability company under the name of NORDCO Limited (Newfoundland Ocean Research and Development Corporation). NORDCO is the focal point of this subsidiary agreement and is the means of implementing strategies to achieve the objectives of the agreement. NORDCO endeavours to establish itself as an internationally recognized centre of expertise for the development of technology and applied research related to the exploitation of northern ocean resources and to ice-related activities. It undertakes projects in applied research and technology development related to northern ocean resource exploration and promotes the commercial utilization of such technological advances. Further strategies include encouraging participation by the private sector, providing

technological assistance to Canadian marine-oriented firms wishing to expand, and initiating projects in response to requests from other organizations.

In formulating these strategies, extensive consultations were held with the federal departments of Industry, Trade and Commerce; Fisheries and the Environment; and the Ministry of State for Science and Technology. Provincial authorities were also deeply involved.

The agreement was signed by the Minister of DREE and by the provincial ministers of Industrial Development and Intergovernmental Affairs.

ELEMENTS

This subsidiary agreement is designed to foster applied research and technological development in the marine-industry sector. Consequently it is anticipated that a wide variety of innovative projects will be undertaken by the corporation in cooperation with the private sector. Specific elements are therefore not identified in the agreement.

FINANCIAL PROVISIONS

ESTIMATED TOTAL COST

PROVINCIAL SHARE

FEDERAL SHARE (DREE)

\$4 910 080

\$491 008

\$4 419 072

ADMINISTRATION AND MANAGEMENT

A management committee composed of two senior officials designated by each of the ministers shall be responsible for the administration of this agreement.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

TITLE St. John's Urban Region

DURATION July 23, 1975 to March 31, 1980 (retroactive to September 30, 1974) as amended October 27, 1978

OBJECTIVES To permit the continued development of the St. John's urban region as the major centre for administration, transportation and communications, and distribution of goods in the province.

BACKGROUND The St. John's urban region is suffering from the lack of an adequate water supply, average daily consumption having reached the available supply. This has the effect of impeding both industrial and residential development. A study funded under the Canada-Newfoundland Second Special Areas Agreement recommended the augmentation of the existing supply by the addition of a new water source at Bay Bulls Big Pond, together with the necessary treatment facilities and transmission lines.

As well, the first six miles of a major arterial road, from the Donovans Industrial Park and the Trans-Canada Highway sector of the region to the waterfront, were completed under the Second Special Areas Agreement. Three miles, primarily through an urban setting, remain to be constructed to complete the link.

Under this agreement, it is proposed that the necessary water-supply works, together with the remaining section of the Harbour Arterial Road, be constructed.

In preparing this agreement, the department benefited from the active participation of the Ministry of State for Urban Affairs, Central Mortgage and Housing Corporation, as well as provincial authorities. In addition, the following departments were consulted on a continuing basis: Transport, Fisheries and the Environment, Public Works, Employment and Immigration, Finance and Treasury Board.

The agreement was signed by the Minister of DREE and the Newfoundland Minister for Inter-governmental Affairs.

ELEMENTS

The inadequacy of the St. John's water supply has already placed restrictions on the growth of industrial and commercial development in the city, including the vital area of residential housing. The projects approved by this agreement will require the construction of an intake and treatment facility at Bay Bulls Big Pond and a large-diameter pipeline to bring the treated water into the existing St. John's - Mount Pearl distribution system. The construction of this additional network will more than double the present water supply. The official opening of the system took place on August 30, 1977.

The St. John's Harbour Arterial Road from Kilbride to the downtown area will be completed under this agreement. Besides improving access to downtown St. John's from the Donovans Industrial Park and the New Town residential development, the Harbour Arterial will help to revitalize the downtown area and offer full access to the harbour itself. Completion is scheduled for July 1979.

FINANCIAL PROVISIONS

The maximum expenditures for the major programs of the agreement are allocated as follows:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|----------------------------------|---------------------------------|-----------------------------|---------------------------------|
| St. John's Urban Water Supply | \$33 340 000 | \$ 8 335 000 | \$25 005 000 |
| St. John's Harbour Arterial | 34 540 000 | 8 635 000 | 25 905 000 |
| Evaluation | <u>120 000</u> | <u>30 000</u> | <u>90 000</u> |
| TOTAL | \$68 000 000 | \$17 000 000 | \$51 000 000 |

ADMINISTRATION AND MANAGEMENT

Each of the ministers shall designate one or more senior officials to be responsible for the administration of this agreement. The federal government will be represented by DREE, Urban Affairs and Central Mortgage and Housing.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|----------------------|---|
| TITLE | Highways - 1976-81 |
| DURATION | June 22, 1976 to March 31, 1981 (retroactive to April 1, 1976) as amended July 14, 1976, April 29, 1977, August 8, 1977, February 18, 1978 and July 14, 1978 |
| OBJECTIVES | To provide access to identified and potential resource development opportunities, and to reduce constraints on the realization of other socio-economic development opportunities by selected improvements to those elements of the transportation system set forth in schedule "A" of the agreement. |
| BACKGROUND | <p>On the basis of investigation undertaken jointly with officials of the provincial government, it has been concluded that continued upgrading of the transportation system is essential in the pursuit of the socio-economic development objectives and opportunities identified in the General Development Agreement. Selected improvements to the road network will support advances in agriculture, forestry, minerals development and fisheries through more efficient transportation of resources to processing and manufacturing plants, and will improve access to Canadian and export markets for a wide variety of products. The proposed roads program will reduce or end isolation, increase labour mobility, promote the viability of the resource industries and tourism, improve living standards by reducing transportation costs, and provide equitable access to social and cultural services.</p> <p>The agreement was developed in consultation with the federal departments of Transport, and Fisheries and the Environment. The subsidiary agreement was signed by the Minister of DREE, the Newfoundland ministers of Transportation and Communications, and Intergovernmental Affairs.</p> |
| FINANCIAL PROVISIONS | The following is a list of projects that the province will arrange to carry out under the agreement: |

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|----------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Burgeo Road | \$ 21 003 781 | \$ 2 100 378 | \$18 903 403 |
| Bonavista North Loop Road | 18 451 139 | 1 845 114 | 16 606 025 |
| Bay d'Espoir Highway | 984 445 | 98 445 | 886 000 |
| Baie-Verte- La Scie Road | 761 870 | 76 187 | 685 683 |
| Northern Peninsula Highway | 40 458 765 | 4 045 876 | 36 412 889 |
| Program Evaluation | 400 000 | 40 000 | 360 000 |
| Harbour Breton Highway | 12 100 000 | 1 210 000 | 10 890 000 |
| Baie-Verte Area Roads | <u>7 000 000</u> | <u>3 500 000</u> | <u>3 500 000</u> |
| TOTAL | \$101 160 000 | \$12 916 000 | \$88 244 000 |

ADMINISTRATION AND MANAGEMENT The agreement is administered by a management committee of senior officials designated by the federal and provincial ministers.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Planning |
| DURATION | June 22, 1976 to March 31, 1982 (retroactive to April 1, 1976) as amended April 19, 1979 |
| OBJECTIVES | To provide a capability for the undertaking of studies and such planning as is required to identify and analyse economic and socio-economic development opportunities in Newfoundland and to develop and implement strategies, programs and subsidiary agreements pursuant to those opportunities. |
| BACKGROUND | <p>Detailed analyses and studies of Newfoundland's economic and socio-economic circumstances, as well as studies of sectors and opportunities in which Newfoundland has a significant advantage, are required to achieve the objectives of the GDA and the development potential of the province. Federal financial contributions are required to assist Newfoundland in obtaining external professional resources and provincial staff in order to enable both governments to plan and implement, more effectively, joint development initiatives.</p> <p>The agreement was signed by the Minister of DREE and the Newfoundland Minister for Intergovernmental Affairs.</p> |
| ELEMENTS | <p>The agreement provides for:</p> <ul style="list-style-type: none">(a) acquiring external staff and services; and(b) covering the costs of provincial staff. |

| FINANCIAL PROVISIONS | ESTIMATED TOTAL COST | PROVINCIAL SHARE | FEDERAL SHARE (DREE) |
|------------------------------------|-------------------------|---------------------|-------------------------|
| <u>External Staff and Services</u> | | | |
| 1976-79 | | 10% | 90% |
| 1979-81 | | 50% | 50% |
| | <u>\$4 800 000</u> | <u>\$1 760 000</u> | <u>\$3 040 000</u> |
| <u>Provincial Staff</u> | | | |
| 1976-77 | | 10% | 90% |
| 1977-78 | | 25% | 75% |
| 1978-79 | | 50% | 50% |
| | <u>\$1 585 000</u> | <u>\$ 625 000</u> | <u>\$ 960 000</u> |
| TOTAL | \$6 385 000 | \$2 385 000 | \$4 000 000 |

ADMINISTRATION AND MANAGEMENT The agreement is administered by a management committee composed of one senior official from each government, designated by the respective federal and provincial ministers.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Inshore Fisheries Development |
| DURATION | June 22, 1976 to March 31, 1981 (retroactive to June 1, 1975) as amended November 5, 1976, June 21, 1977, September 6, 1977, May 9, 1978, July 13, 1978, December 21, 1978 and March 20, 1979 |
| OBJECTIVES | To increase per capita income of inshore fishermen in Newfoundland, and to increase employment and productivity in the processing sector of the fishing industry. |
| BACKGROUND | <p>The inshore fishery has been a traditional economic activity in rural Newfoundland. The strategy for the catching sector of the inshore fishery is to raise incomes by improving efficiency and diversifying products. In the processing sector the strategy is to increase the number of jobs and the duration of employment by increasing and diversifying production, raising the value-added, and improving the product quality. The initiatives in this agreement are intended to relieve certain difficulties in the industry, and specifically to support the productive herring fishery in the St. Barbe North area.</p> <p>The agreement will provide multi-purpose community stage facilities and a centralized cool-storage building for use directly by private fishermen. The resulting quality improvements will benefit all phases of the industry, from the catching operations through processing, to marketing.</p> <p>The water-supply systems will provide larger supplies of clean, fresh water to fish plants as required under the Fish Inspection Act and will help to improve the quality of fish production. Further, abundant water supplies will permit increases in production.</p> <p>Amendment 6, signed on December 21, 1978, increased the total value of the agreement to \$11 761 000. The extra funding will be used in part to continue the fish-plant water-supply program at additional locations. In addition, the marine service centre program, started under a previous subsidiary agreement, will be extended.</p> |

The amendment will provide for extensions or other improvements to several existing marine service centres and for the construction of up to three new centres, at Harbour Breton and at two other sites to be determined.

The agreement was signed by the Minister of DREE and the provincial ministers of Fisheries and Intergovernmental Affairs.

ELEMENTS

Provision is made in the agreement for the following facilities and activities:

- (a) St. Barbe North Facilities Improvement Program:
 - (i) upgrading of six community stages;
 - (ii) construction of two new stages;
 - (iii) construction of a central cool-storage facility.
- (b) Water Supply Systems for Fish Plants;
- (c) Inshore Fisheries Marine Service Centres; and
- (d) Program Evaluation and Development Planning Studies.

FINANCIAL PROVISIONS

The following is a list of projects that the province will arrange to carry out under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| 1. ST. BARBE NORTH FACILITIES IMPROVEMENT | | | |
| 1.1 Community Stage Upgrading | \$ 514 091 | \$ 51 409 | \$ 462 682 |
| 1.2 Community Stage Construction | 825 000 | 82 500 | 742 500 |
| 1.3 Cool-Storage Building Construction | 1 200 000 | 120 000 | 1 080 000 |
| 2. WATER SUPPLIES FOR FISH PLANTS | | | |
| 2.1 Port aux Basques | 613 928 | 61 393 | 552 535 |
| 2.2 St. Brides | 360 000 | 36 000 | 324 000 |
| 2.3 New Water Supplies at Various Locations | 2 127 981 | 212 798 | 1 915 183 |

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| 3. PROGRAM EVALUA- TION AND DEVELOP- MENT PLANNING STUDIES | 200 000 | 20 000 | 180 000 |
| 4. INSHORE FISHERIES MARINE SERVICE CENTRES | | | |
| 4.1 Harbour Breton | 490 000 | 49 000 | 441 000 |
| 4.2 Port Saunders | 420 000 | 42 000 | 378 000 |
| 4.3 Durrell | 205 000 | 20 500 | 184 500 |
| 4.4 Southern Harbour | 135 000 | 13 500 | 121 500 |
| 4.5 Englee | 200 000 | 20 000 | 180 000 |
| 4.6 Improvements, Ext- ensions, Various Locations | 3 370 000 | 337 000 | 3 033 000 |
| 4.7 New Facilities at Northern and Western Locations | <u>1 100 000</u> | <u>110 000</u> | <u>990 000</u> |
| TOTAL | \$11 761 000 | \$1 176 100 | \$10 584 900 |

ADMINISTRATION AND MANAGEMENT The agreement is administered by a management committee of senior officials of each government designated by the federal and provincial ministers. The federal government is represented by DREE, and Fisheries and the Environment.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Labrador Interim |
| DURATION | December 3, 1976 to March 31, 1981 as amended February 22, 1978, May 12, 1978 and October 19, 1978 |
| OBJECTIVES | <p>To assist the municipality of Happy Valley-Goose Bay to maintain its socio-economic viability following the substantial reduction of U.S. military operations at Goose Bay airport.</p> <p>To initiate, in selected communities, infrastructure improvements and services required for the diversification of the local economy and to assist Labradorians to participate in emerging developmental opportunities.</p> <p>To reinforce the long-term orderly development of Labrador for the benefit of its inhabitants and the province.</p> |
| BACKGROUND | <p>The substantial reduction of United States Air Force operations at Goose Bay airport precipitated the development of a subsidiary agreement as a means of assisting the community of Happy Valley-Goose Bay to maintain its socio-economic base, and as a means of helping the community to develop new industrial endeavours at the airport, its primary place of employment. At the request of the province, the scope of the proposed agreement was widened to include a project in the town of Wabush. Subsequently the Labrador interim subsidiary agreement was developed as a mechanism for the immediate and long-term development of Labrador.</p> <p>During 1977, it was agreed that efforts should be made to improve the lifestyle of residents of coastal communities. In cooperation with Health and Welfare Canada, projects are being undertaken to improve health and sanitation. Arrangements are also being made to determine the long-term needs of Labrador with input from federal and provincial departments and the residents.</p> |

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|--|-----------------------------|-------------------------|----------------------|
| 1. Wabush Industrial Park | \$ 5 800 000 | \$ 580 000 | \$ 5 220 000 |
| 2. North West River Bridge | 4 300 000 | 430 000 | 3 870 000 |
| 3. Happy Valley-Goose Bay Economic Development Corporation | 385 000 | 38 500 | 346 500 |
| 4. Student Dormitory at Happy Valley Vocational School | 1 852 000 | 185 200 | 1 666 800 |
| 5. Auxiliary Sewage Collector System and Outfall Facility | 500 000 | 50 000 | 450 000 |
| 6. Street Improvement in the Town of Happy Valley | 500 000 | 50 000 | 450 000 |
| 7. Town of Happy Valley Neighbourhood Improvement Program | 750 000 | 300 000 | 450 000 |
| 8. Program Evaluation | 200 000 | 20 000 | 180 000 |
| 9. Capital Projects | | | |
| 9.1 Community Infrastructure | 3 500 000 | 350 000 | 3 150 000 |
| 9.2 Medical Facilities | 1 200 000 | 120 000 | 1 080 000 |
| Contingency (30%) | 1 410 000 | 141 000 | 1 269 000 |
| 10. Investigative | 1 500 000 | 150 000 | 1 350 000 |
| 11. Public Information | 100 000 | 10 000 | 90 000 |
| 12. Project Management | <u>100 000</u> | <u>10 000</u> | <u>90 000</u> |
| TOTAL | \$22 097 000 | \$2 434 700 | \$19 662 300 |

NOTE: The federal share represents 90% of the direct costs connected with all projects except 7. The federal share of project 7 is 90% of the estimated municipal cost of a Neighbourhood Improvement Program up to a maximum of \$450 000, subject to the provision set out in sub-section 4(6) of the agreement.

DREE is responsible for the federal share of all projects except 9.2, which is the responsibility of Health and Welfare Canada.

ADMINISTRATION AND MANAGEMENT A management committee composed of officials designated by the federal and provincial ministers is responsible for the administration of the agreement and evaluation of the program.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

TITLE Mineral Development

DURATION December 17, 1976 to December 31, 1981
as amended April 28, 1977

OBJECTIVES To develop Newfoundland's mineral resources by upgrading geoscientific data in selected high-potential areas, by providing a comprehensive inventory of known deposits, and by developing policies for mineral resource management that will encourage exploration and development by the private sector while providing maximum socio-economic benefit to Newfoundland.

BACKGROUND The mineral industry in Newfoundland represents some 22% of the gross provincial product, but its full potential is far from realized. The industry is largely extractive in nature with very little upgrading of the mined product being undertaken. Considerable opportunity exists for expanding both mining and processing activities with a consequent improvement in both economic and social returns to the province. About 6 500 persons, or 4% of the labour force, are employed in the mineral industry. It is reasonable to assume that a minimum of 1 000 to 1 500 jobs could be created within 10 years after program initiation.

Short- to medium-term benefits in extraction and processing opportunities and policy development have derived from the previous mineral exploration and evaluation agreement signed between Canada and Newfoundland in 1971. This agreement, which was funded jointly by DREE and Energy, Mines and Resources, expired on March 31, 1976. An extension of some of the work carried out under the agreement is included in the present proposal. However, without more basic geoscientific data, effective long-term development potential cannot be fully realized. The program therefore includes a significant component of geoscientific surveying and mapping.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|---|---------------------------------|-----------------------------|--------------------------|
| Regional Mineral Potential Evalua- tion | \$ 8 587 000 | \$ 858 700 | \$ 7 728 300 |
| Mineral Development Strategies | 2 582 000 | 258 200 | 2 323 800 |
| Mineral Resource Management | 1 089 000 | 108 900 | 980 100 |
| Program Evaluation | <u>200 000</u> | <u>20 000</u> | <u>180 000</u> |
| TOTAL | \$12 458 000 | \$1 245 800 | \$11 212 200 |

The federal share will be divided equally between DREE and Energy, Mines and Resources.

ADMINISTRATION AND MANAGEMENT

A management committee composed of officials designated by the federal and provincial ministers is responsible for the administration of the agreement and the evaluation of the program. The federal membership includes representation from both sponsoring departments.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Tourism Development |
| DURATION | February 22, 1978 to March 31, 1983 (retroactive to January 1, 1978) |
| OBJECTIVES | <p>To promote the expansion and further development of the tourism industry.</p> <p>To increase the net benefits from tourism to the provincial economy, such as: extending the length of the tourist season, increasing tourism-related employment and increasing tourism spending.</p> |
| BACKGROUND | <p>Tourism has grown significantly in Newfoundland since the completion of the Trans-Canada Highway in 1965. However, the increase in the number of vacationers in general has occurred despite the inadequacies of tourist facilities and services. There is potential for further development in Newfoundland in order to meet the existing demand and to stimulate additional demand.</p> <p>In Newfoundland, the industry is relatively undeveloped. There are, however, identified opportunities to improve the contribution of tourism to the provincial economy. It is estimated that by 1981 the program will result annually in 26 000 additional visitors, an increase in annual tourist expenditures of \$5.45 million, and 410 more person-years of employment in the sector. These are the incremental benefits directly attributable to the tourism development program.</p> |
| ELEMENTS | <p>The program will concentrate on the following areas:</p> <ol style="list-style-type: none">1. <u>MARKETING</u> <p>The province will formulate a comprehensive marketing program to complement the thrust of the strategy which is basically concerned with promoting increased visits by non-resident tourists.</p> |

2. ATTRACTIONS

The planned projects include development of scenic vistas and points of historic interest which will attract tourists.

3. PACKAGED TOURISM

This organizational activity will encourage highly-specialized interest groups to undertake activity-related tours, visits, and expeditions to the province.

4. TOURIST SERVICE PROGRAM

This program is intended to improve all basic services such as food, information services, and technical services.

5. ACCOMMODATION

The development of facilities by the private sector will be encouraged through financial incentives assistance.

6. PLANNING AND EVALUATION

At present, there are a number of gaps in the information and research area of tourism and this program should correct these deficiencies.

| FINANCIAL PROVISIONS | ESTIMATED TOTAL COST | PROVINCIAL SHARE | FEDERAL SHARE (DREE) |
|--|----------------------|------------------|----------------------|
| Marketing | \$ 310 000 | \$ 31 000 | \$ 279 000 |
| Attractions | 3 523 800 | 352 380 | 3 171 420 |
| Packaged Tourism Development | 635 700 | 63 570 | 572 130 |
| Tourist Services | 1 358 800 | 135 880 | 1 222 920 |
| Accommodation | 6 652 300 | 665 230 | 5 987 070 |
| Planning, Coordination, and Evaluation | <u>784 000</u> | <u>78 400</u> | <u>705 600</u> |
| TOTAL | \$13 264 600 | \$1 326 460 | \$11 938 140 |

ADMINISTRATION AND MANAGEMENT Each of the ministers shall designate one or more senior officials to be responsible for the administration of this agreement. The federal government will be represented by DREE and CGOT on the management committee.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

TITLE Agriculture Development

DURATION July 14, 1978 to March 31, 1983
as amended May 28, 1979

OBJECTIVES To support the growth of a viable agriculture industry in Newfoundland through increased production, improvements in management and technical capabilities of farmers, improved marketing systems, effective land development and modern agricultural support services.

BACKGROUND The agriculture industry in Newfoundland is relatively underdeveloped, with structural and institutional problems affecting land, marketing, financing, and support services. However, agricultural development programming in Newfoundland has the potential to support and encourage a developing industry, diversify the economic base, directly create employment, and improve incomes in rural areas where employment opportunities are least available.

The rationale for this agreement is based on the establishment and/or encouragement of financially viable farming operations capable of supplying local markets with fresh, quality produce which is price competitive with imported produce and which is compatible with Newfoundland growing conditions.

Only about 25% of Newfoundland consumer demand for agricultural commodities is satisfied by local production. Furthermore, because of the transportation and distribution problems involved in importing agricultural commodities, fresh, quality farm produce can be supplied only by local farmers.

The objectives of the agreement will be achieved through an integrated strategy which will concentrate on farming development in designated agriculture development regions. Agriculture development plans will be prepared for the regions identifying regional and commodity priorities in light of physical capabilities and economic potential for the producer. In addition, technical, farm management consulting, and financial assistance will be made available to individual farmers based on need. Measures will

be taken to stabilize the supply of produce to local markets and studies will be conducted to determine the infrastructure requirements of the industry. Special measures will be taken to support the expansion of the commercial blueberry industry. This strategy is compatible and consistent with the National Food Strategy being formulated by Agriculture Canada.

The agreement was signed by the federal ministers of DREE and Agriculture Canada and the provincial ministers of Forestry and Agriculture and Intergovernmental Affairs.

ELEMENTS

Provision is made in the agreement for:

FARM DEVELOPMENT - counselling of farmers in management skills and in the development of farm plans and the provision of incentive grants to stimulate the implementation of agreed plans;

DEVELOPMENT OPPORTUNITIES - identification and implementation of agriculture development opportunities such as: swine development, agricultural uses of peat soils, wood-fiber feed, and on-farm feed processing;

BLUEBERRY INDUSTRY DEVELOPMENT - an initiative to promote expanded private investment and increased efficiency in the use of resources employed in a more commercially oriented blueberry industry;

MARKETING - to develop marketing systems, facilities, organizations, and services to promote more orderly and efficient storage, grading, processing, distribution, and sale of farm products;

LAND-USE PLANNING - assessment of land capabilities and assistance in the formulation of plans and strategies for land assembly and use;

LAND DEVELOPMENT - provision of off-farm services required for the development of designated high-capability farming areas and the organization and promotion of a special initiative to alleviate a critical forage problem;

AGRICULTURAL FACILITIES - provision of office, laboratory, and clinical facilities to enable better coordination of federal-provincial programs; the provision of farm management counselling, soil and crop analysis, veterinary and other services under departmental and cost-shared agreements; and

PLANNING, COORDINATION AND EVALUATION - provision of planning, economic analysis, monitoring, evaluation, and public information services for the programs.

| FINANCIAL PROVISIONS | ESTIMATED TOTAL COST | PROVINCIAL SHARE | FEDERAL SHARE |
|---------------------------------------|-------------------------|---------------------|------------------|
| Farm Development | \$ 5 431 900 | \$ 543 190 | \$ 4 888 710 |
| Development Opportunities | 827 600 | 82 760 | 744 840 |
| Blueberry Industry Development | 2 772 400 | 277 240 | 2 495 160 |
| Marketing | 1 262 400 | 126 240 | 1 136 160 |
| Land-Use Planning | 2 050 300 | 205 030 | 1 845 270 |
| Land Development | 1 280 900 | 128 090 | 1 152 810 |
| Agricultural Facilities | 2 000 000 | 200 000 | 1 800 000 |
| Planning, Coordination and Evaluation | <u>715 800</u> | <u>71 580</u> | <u>644 220</u> |
| TOTAL | \$16 341 300 | \$1 634 130 | \$14 707 170 |

Agriculture Canada will contribute the \$1.8 million federal share of the Agricultural Facilities program.

ADMINISTRATION AND MANAGEMENT A management committee composed of officials appointed by the ministers is responsible for the administration of this subsidiary agreement. The federal government is represented by DREE and Agriculture Canada.

NEWFOUNDLAND

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Rural Development |
| DURATION | July 14, 1978 to March 31, 1983 (retroactive to April 1, 1978) |
| OBJECTIVE | The objective of this agreement is to strengthen and revitalize the rural sector of the province. |
| BACKGROUND | <p>A large percentage of the Newfoundland population lives in the rural areas of the province; consequently the rural environment is an important consideration in economic development. The rural area of the province is generally composed of small, sparsely populated communities which possess resources and opportunities for development that are distinct in nature and scope from those in the larger, more urban areas.</p> <p>In recent years, the approach taken toward development of these rural areas has been to promote the establishment of small resource-based enterprises or businesses employing small numbers of people.</p> <p>The process has been spearheaded by a network of regional development associations that have been established in many parts of the province. Funded by the federal and provincial governments, the number of these associations has mushroomed from one in 1963 to 35 in 1978. They are providing the leadership and planning capabilities necessary to create a stronger rural sector. In this respect, the organizations are filling a void that exists in many areas where strong municipal governments and other regional bodies designed to promote economic and social development have not evolved.</p> <p>The development associations are helping people take advantage of the rural resources to provide job opportunities requiring traditional skills. This improves the quality of the rural lifestyle in home surroundings as a viable alternative to migration to urban industrial centres.</p> <p>Considerable progress in rural development was achieved through ARDA III which was jointly funded by DREE and the province. That program also included funding for the various regional development associations.</p> |

ELEMENTS

The major elements of this subsidiary agreement are:

1. COMMUNITY DEVELOPMENT - the provision of administrative grants and matching incentive grants to regional development associations; annual grants to the Newfoundland and Labrador Rural Development Council; leadership and development training for rural people; development project funding; regional planning activities;
2. RURAL INCENTIVES - the provision of incentive grants and research and development grants to small businesses; improvements in the management capabilities of rural entrepreneurs;
3. CRAFTS INDUSTRY DEVELOPMENT - the provision of an information and marketing program for crafts, and the acquisition of external crafts marketing and design services in order to expand the handicrafts industry; and
4. PROGRAM EVALUATION AND INFORMATION - the provision of program evaluation and public information services for the programs in this agreement.

FINANCIAL PROVISIONS

The following is a list of projects identified under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|------------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Community Development | \$ 9 350 000 | \$ 935 000 | \$ 8 415 000 |
| Rural Incentives | 4 140 000 | 414 000 | 3 726 000 |
| Crafts-Industry Development | 960 000 | 96 000 | 864 000 |
| Program Evaluation and Information | <u>130 000</u> | <u>13 000</u> | <u>117 000</u> |
| TOTAL | \$14 580 000 | \$1 458 000 | \$13 122 000 |

ADMINISTRATION AND MANAGEMENT

A management committee composed of senior officials designated by the federal and provincial ministers is responsible for the administration of the agreement.

NOVA SCOTIA

NOVA SCOTIA

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) with Nova Scotia was signed September 12, 1974 by the Minister of Regional Economic Expansion and the Premier of Nova Scotia.

The objectives of this agreement are to encourage the expansion of viable, long-term employment opportunities; to promote optimum quality of life within Nova Scotia and increased earned incomes for its people; and to assist in the development of a dynamic and creative provincial economy which will encourage the growth and stability of economic activity in the province.

In seeking to achieve these general objectives, the governments will jointly pursue strategies involving more specific sectoral and geographic approaches, including:

- (a) the development of new or expanded employment opportunities throughout the province by the identification and implementation of appropriate development opportunities;
- (b) the design and implementation of urban and rural development measures required to promote and support economic and socio-economic development opportunities in Nova Scotia;
- (c) the development of the resource industries of fishing, agriculture, forestry and mining through measures to improve their efficiency, productivity and optimum resource utilization, including intensified research and the further processing of their primary products;
- (d) the development of the Halifax-Dartmouth metropolitan area, with special emphasis on high-technology industries, communication, distribution and transportation-related industries, and a wide range of business and personal services, consistent with its evolution as a major business and service centre;
- (e) the continued development of the primary and secondary processing of imported and domestic raw and semi-finished materials in the Strait of Canso area;
- (f) the development of the economic and social opportunities of the tourism/recreation and related sectors;
- (g) the provision of interim assistance required to eliminate impediments threatening the retention and

maintenance of otherwise viable employment opportunities and industries;

- (h) the development of spin-off opportunities related to supply, service, exploration, extraction and distribution of off-shore oil and gas;
- (i) the development of ocean science technology and ocean-related industries, including shipbuilding and ship repair; and
- (j) the development of energy resources and energy distribution systems to assist in providing adequate energy supplies to Nova Scotia consumers and industries.

Summaries of currently active subsidiary agreements follow.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Mineral Development |
| DURATION | February 17, 1975 to March 31, 1980 as amended April 14, 1977, June 28, 1977, August 4, 1977, February 3, 1978, February 9, 1978, May 19, 1978 and March 29, 1979 |
| OBJECTIVES | To increase employment and investment in the province's mining sector by providing for accelerated mineral reconnaissance, geological programs and an assessment of mineral resources. |
| BACKGROUND | <p>The mineral industry in Nova Scotia has been centred in the coal industry, an industry which has not, in the past, been able to contribute significantly towards closing the regional disparity gap.</p> <p>It has been recognized that new mineral deposits have to be found to broaden the industry base and to create more economic impact. Programs have been carried out in mineral exploration, but a less than dynamic industry exists. Previously, policy review work suggested that substantial development opportunities existed in lead and zinc, barite and fluorite, and gypsum and salt. Recent mineral discoveries have indicated a relatively high exploration potential.</p> <p>It is now an opportune time to accelerate and broaden the scope of these programs; to reduce or eliminate identifiable constraints to mineral exploration and development; and to undertake the processing of minerals which are presently mined and exported in raw or bulk form; all with the intention of increasing employment and investment opportunities through the development of mineral-based industries in the province.</p> <p>This agreement was developed in close cooperation with the federal Department of Energy, Mines and Resources and the Province of Nova Scotia. It was signed by the Minister of DREE and the provincial Minister of Development.</p> |
| ELEMENTS | The six major elements of the agreement include: |

(a) Resource Development Planning

The purpose of resource development planning is to identify development opportunities and devise programs to optimize government efforts in promoting exploration and exploitation of the mineral resource.

(b) Mineral Resource Inventory

To provide a base for formulating policies and programs regarding mineral exploration and development, there is required a complete and comprehensive data and information system on the nature, extent and location of known mineral occurrences. An inventory of known resources is the first step in developing priorities of action.

(c) Mineral Evaluation Survey

An examination, mapping and evaluation of known mineral occurrences, including offshore drilling in the Sydney Basin coal field, and the search for new deposits of industrial minerals will provide a direct means of encouraging mineral development and the utilization of provincial resources.

(d) Geological-Geochemical Survey

One of the most useful functions in stimulating continuing exploration by private industry is the provision of basic geological data and concepts. The program will give priority to selected areas with the objective of carrying out a comprehensive and coordinated approach utilizing a broad range of geological, geochemical and geophysical techniques.

(e) Laboratory Services

The Department of Mines operates a laboratory to perform analytical services, ceramic testing and small-scale mineral dressing tests. However, some of its major analytical equipment is now obsolete and of insufficient capacity to meet increasing demands of the department and industry. This agreement will attempt to improve the situation.

(f) Program Management and Administration

This will provide for key professional positions with a supervisory role.

FINANCIAL
PROVISIONS

The following is a list of projects the province will arrange to carry out under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---------------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Resource Development Planning | \$ 63 000 | \$ 12 600 | \$ 50 400 |
| Mineral Resource Inventory | 238 130 | 47 626 | 190 504 |
| Mineral Evaluation Survey | 15 453 455 | 3 090 691 | 12 362 764 |
| Geological-Geochemical Survey | 3 214 830 | 642 966 | 2 571 864 |
| Laboratory Services | 227 647 | 45 529 | 182 118 |
| Program Management and Administration | <u>640 938</u> | <u>128 188</u> | <u>512 750</u> |
| TOTAL | \$19 838 000 | \$3 967 600 | \$15 870 400 |

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a management committee composed of one representative from DREE, one from Energy, Mines and Resources, and two from the province, as designated by the respective federal and provincial ministers.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Metropolitan Halifax-Dartmouth Area Development |
| DURATION | March 31, 1975 to March 31, 1980 as amended September 11, 1975, April 28, 1976, June 28, 1976, March 17, 1977, April 21, 1977, March 16, 1978, August 1, 1978, September 21, 1978 and February 14, 1979 |
| OBJECTIVES | To enable Halifax-Dartmouth to function more effectively in its role as the principal regional centre in the Atlantic provinces by ensuring desirable development of the downtown areas of the two cities, continued development of the harbour resource and increased industrial development, particularly in high-technology industries. |
| BACKGROUND | <p>The Halifax-Dartmouth metro area is the most prosperous part of the Atlantic, with per capita and family incomes about 10% above the national average. More importantly, it is now coming to play a central role within the total Atlantic economy. The Halifax-Dartmouth metropolitan area has gradually changed from a slow-growth area to a major growth centre, with increasing links to the major metropolitan areas in the rest of Canada and the eastern seaboard of the United States. It is essential that the rate of development and growth in the metro area be sustained, not only to ensure continued prosperity for the residents of Halifax-Dartmouth but also to ensure the generation of the maximum possible benefits for the remaining parts of Nova Scotia and the Atlantic Region.</p> <p>Five broad benefits are anticipated to arise from the implementation of this subsidiary agreement:</p> <ul style="list-style-type: none">(a) It will provide employment for future additions to the work force, particularly additions through in-migration from other parts of the Atlantic provinces.(b) The subsidiary agreement will help to ensure that expansion goes forward in an orderly manner, with the generation of the minimum amount of "disbenefits" generally associated with high growth. |

- (c) The subsidiary agreement will assist in ensuring that the current upward momentum in the Halifax-Dartmouth economy is sustained.
- (d) Related to the previous "benefits", the implementation of this subsidiary agreement will lead to a better integrated Atlantic economy through an improved and expanded transportation and distribution system to take advantage of the unique "gateway" location of Halifax in relation to world markets.
- (e) The subsidiary agreement will assist in the restructuring of the Halifax-Dartmouth economy towards more highly skilled manufacturing and service activities which will increase opportunities for new employment and increased incomes.

This agreement illustrates the federal policy of interdepartmental cooperation on development matters. On the federal side, the departments of Public Works, Transport, Fisheries and Environment, Urban Affairs, Employment and Immigration and the National Harbours Board have worked closely with DREE on the agreement and will be closely involved in its implementation.

This subsidiary agreement was signed by the federal ministers of DREE, Public Works and Urban Affairs, and by the Nova Scotia Minister of Development.

ELEMENTS

The Halifax-Dartmouth agreement calls for programs in three broad development categories: metro development in the Halifax-Dartmouth area, port-related development, and industrial development.

The waterfront development master plan will include space for a hotel and convention complex, office facilities for federal and provincial governments, commercial and retail space, ferry terminals and housing. The development is expected to generate millions of dollars in income annually, and some 2 000 to 4 000 jobs within the office space provided.

Funds are provided to complete the construction of a regional water supply. Demands on the existing water supply are close to capacity, and continued development of the metropolitan area requires that this new water supply be established.

Work to be done includes the construction of approximately 16 miles of transmission main to carry water from the treatment plant at Pockwock Lake to the City of Halifax and into Bedford. The line will connect with the North End feeder through a control chamber near Main Avenue at Dunbrack Street in Halifax, with the Geizer Hill and Cowie Hill reservoirs, and with the Bedford Reservoir.

To ease traffic problems in the Halifax area caused by increased development of the waterfront, a computerized traffic management centre will be introduced. Improvements to Portland Street and the construction of Dunbrack Street will also be carried out to accommodate increasing traffic.

The port-related section of the agreement notes the fact that facilities at the highly successful Halifax container terminal would operate at capacity in 1975. Feasibility and design studies will, therefore, be carried out for possible construction of additional facilities.

The third program in this subsidiary agreement is concerned with industrial development of which the most promising areas are high-technology and ocean-oriented industries.

Studies will be carried out into the feasibility of ship-repair facilities for the area, the costs and benefits of industrial park expansions and a gateway study.

Approximately 200 acres adjoining the Burnside Industrial Park will be serviced with water, sewers and roads to meet future demands for industrial land, and a Bedford by-pass will be constructed to ease traffic in the northeast part of the metropolitan area.

FINANCIAL PROVISIONS

The following are the projects the province will arrange to carry out under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Halifax-Dartmouth Waterfront Development | \$ 90 742 500 | \$23 322 500 | \$67 420 000 |
| The Gateway: The Port | 1 500 000 | 300 000 | 1 200 000 |
| Industrial Development | <u>17 463 800</u> | <u>6 086 800</u> | <u>11 377 000</u> |
| TOTAL | \$109 706 300 | \$29 709 300 | \$79 997 000 |

ADMINISTRATION AND MANAGEMENT Administration of the agreement will be in the hands of a joint management committee comprising members from DREE and the provincial Department of Development. An intergovernmental waterfront committee composed of members from DREE, Public Works, Urban Affairs, relevant provincial departments and municipal representatives is responsible for managing the Halifax-Dartmouth waterfront development project.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Strait of Canso Area Development |
| DURATION | March 31, 1975 to March 31, 1980 as amended August 15, 1975, June 18, 1976, December 21, 1976, July 22, 1977, February 1, 1978, March 21, 1978, June 14, 1978, February 8, 1979 and May 10, 1979. |
| OBJECTIVES | To stimulate the development of a major industrial concentration at the Strait of Canso and thus ensure that important assets, such as an excellent deepwater harbour, are used to promote maximum income and employment opportunities for the people of Nova Scotia. |
| BACKGROUND | <p>The Strait of Canso has one of the finest deep-water harbours in the western hemisphere. Development of the causeway in 1955 created a fully sheltered and ice-free harbour out of the Strait. It has water depths of up to 120 feet within a few hundred yards of the shore. Canso is slightly over 200 miles from Halifax and is fully accessible by road, rail and water.</p> <p>The harbour in itself gives the Strait area a tremendous advantage over most ports on the North American Atlantic coast. Since the advent of super tankers and large bulk carriers, industrial concerns are indicating a strong preference for locating production and service facilities, dependent on large-volume raw-material shipments, at strategic points with deepwater harbours. The Strait has the further advantage of being convenient to important Atlantic shipping routes and of being relatively close to urban centres which offer support services and from which a labour force can be drawn.</p> <p>The opportunity, therefore, lies in capitalizing on these assets by attracting a number of major industries to the Strait.</p> |

This agreement was developed in consultation with other federal government departments, such as Industry, Trade and Commerce, and Employment and Immigration, and with provincial authorities. It was signed by the Minister of DREE and the Nova Scotia Minister of Development.

ELEMENTS

(a) The Strait of Canso Industrial Development Authority

This authority will be responsible for the development of a plan for the deepwater port, the promotion and development of industrial activity, conducting negotiations with public and private interests to this end, and provision of administrative organization.

(b) Integrated Regional Planning

Overall planning will be developed with emphasis on 1) a comprehensive regional and municipal planning program to provide for an orderly and integrated community and physical development of the Strait of Canso, and 2) optimum utilization and environmental management of the harbour area.

(c) Community and Industrial Infrastructure

Under this program, feasibility analyses, and design and construction of selected infrastructure projects will be undertaken, including:

- Melford Brook Reservoir
- Expansion of Landry Lake Reservoir
- Port Hawkesbury School/Community Centre
- Mulgrave By-Pass Highway
- Trunk 104 - East of Port Hawkesbury to Cannes.

FINANCIAL PROVISIONS

The following is a summary of projects that the province will arrange to carry out under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Strait of Canso Industrial Development Authority | \$ 1 208 000 | \$ 242 000 | \$ 966 000 |
| Integrated Regional Planning | 1 105 500 | 221 100 | 884 400 |
| Community and Indus- trial Infrastructure | 23 564 400 | 6 229 800 | 17 334 200 |
| Evaluation | <u>100 000</u> | <u>20 000</u> | <u>80 000</u> |
| TOTAL | \$25 977 900 | \$6 712 900 | \$19 264 600 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a management committee consisting of equal numbers of representatives of each government, designated by the respective federal and provincial ministers.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Agriculture Development |
| DURATION | June 22, 1976 to March 31, 1981 as amended July 22, 1976, February 9, 1977, March 31, 1978 and June 2, 1978 |
| OBJECTIVES | To improve the viability and stability of the agriculture industry and enhance its ability to sustain growth; maintain existing and create new employment opportunities in the agriculture industry; and expand the output and productivity of underexploited components of the agriculture industry which enjoy an economic advantage in provincial or export markets. |
| BACKGROUND | <p>Traditionally, the agriculture base in Nova Scotia has consisted of a large number of small farm units widely distributed throughout the rural areas of the province. Farming has often been combined with fishing and/or forestry, providing only a marginal living for the rural population.</p> <p>Since World War II, technological and economic forces have dramatically changed the role of agriculture. This change is reflected in a decline in census farms from 23 500 in 1951, to the present level of approximately 6 000. As this trend continues, a sound base of good farmers on good land is being established. The further development and success of those farmers depend upon their ability to adapt to a continually changing technological and commercial environment.</p> <p>According to the 1971 census, the total amount of land in farms was 1 383 000 acres, with 386 000 of those acres improved. This can be broken down into 260 000 acres in grass (153 000 acres in hay and 107 000 acres in pasture) and 126 000 acres in high-energy, protein and horticultural crops.</p> <p>Fifty-seven per cent of the census farms have cash sales of less than \$2 500 and have an average improved acreage of only 32 acres. At the other end of the scale, only 20% of the farms have sales in excess of \$10 000. These have an average of 150 improved acres.</p> |

Land tends to be subdivided into long, narrow lots. This makes it difficult to assemble blocks of agricultural land to develop a viable land base. Along with the shape of the properties, the land ownership pattern further complicates land assembly.

In terms of production, the existing agriculture industry can best be described by sectors, each with its unique characteristics.

Dairy Products - Although the number of cows kept on Nova Scotia farms has decreased over recent years, increased milk production per cow has kept total production nearly constant. About 350 million pounds of milk are produced annually in the province.

Meat Products - Nova Scotia's beef supply of 45 000 head is produced on pasture or feedlots. The potential exists for increased production since the Nova Scotia market consumes three times more than existing producers can supply.

The production of hogs has been steadily increasing from a low of 47 000 head in 1957 to 131 000 in 1971, but the province is still producing less than half its total requirements. A highlight of the pork industry is its record in leading all provinces in the quality of pork produced.

The production of poultry meats is one of the most efficient segments of the agricultural industry. Producer marketing boards actively monitor production to ensure that market demands will be satisfied.

Eggs - Provincial egg producers have historically supplied both local and export demands.

Fruits - About three million bushels of apples, two million quarts of strawberries, 10 million pounds of blueberries and smaller amounts of pears, plums, raspberries and cranberries form the basis for the fruit industry in the province. Fruit production is especially significant because of its concentration in a few areas.

Vegetables - Vegetables are produced on more than 9 500 acres in the province. The most important vegetable crop is potatoes, with 3 500 acres producing, mainly for the processing market. In addition to potatoes and fresh vegetables, beans and peas for processing are grown on about 3 500 acres.

Other Agricultural Products - The greenhouse industry sells about \$4.5 million worth of flowers, bedding plants, and vegetables annually from the two million square feet of area covered by glass and plastic in the province.

Tobacco production - Tobacco valued at \$1.2 million annually is produced on 1 250 acres.

Other agricultural products of importance in the province include fur pelts, with farm sales of \$1.9 million; sheep, with farm sales of \$620 000; and other miscellaneous products valued at about \$2.8 million; as well as "income and kind" produced and consumed on the farm valued at \$6.2 million.

In addition to these commodities produced for sale, many products produced are used for livestock feed. These include grain, hay, corn grain and silage.

The value of these products is reflected in the sale of the livestock to which they are fed. The fact that these inputs are produced locally rather than imported adds substantially to the importance of the total economics of the agricultural industry in the province.

The concept of the subsistence farm is disappearing and is being replaced by the farm business. Individual farmer initiative, supported by federal and provincial government programs, has made a substantial contribution to the development of a nucleus of farmers who are using sound business management techniques to operate their enterprises. In the past two decades, agriculture spending has increased from \$27 million to \$90 million.

While changing technology has resulted in a certain amount of specialization, mixed farming continues to be the agricultural enterprise most suited to the Nova Scotia situation.

In economic terms, farm cash receipts of \$104 million in 1974 resulted in the purchase of \$89 million worth of goods and services (for example machinery sales and service, petroleum products distribution, construction, feed milling, insurance, banking), supplied mainly by rural businessmen. Nearly all the financial capital used in agriculture is generated in Nova Scotia and any return remains in the province.

The primary production activity directly supports secondary manufacturing including meat and poultry processing, dairy products, and fruit and vegetable processing industries. The dependence of secondary industry on agriculture can be exemplified by the fact that of 139 manufacturing and processing firms in the Annapolis Valley and Kings County, 68 are wholly dependent on local farm production for their raw materials.

Apart from purely economic considerations, the agriculture industry plays an important role in maintaining the quality of the rural countryside of Nova Scotia. Tourists and residents alike have come to value the aesthetic aspects of the rural scene and a prosperous agriculture industry is a prime force in maintaining this attractiveness.

ELEMENTS

The first element of the strategy involves expansion of the agricultural land base.

There are a number of constraints that must be overcome: low ratio of improved to unimproved land; ownership of a large percentage of unexploited land by non-farmers such as pensioners, non-residents and estates; small scattered holdings; and substantial amounts of Class II and III land which has never been exploited.

Removal of these constraints involves gaining access to unemployed land, consolidation of land into viable-sized units, development of new land, and increasing the productivity of the presently exploited land through cultural improvements, field enlargement and consolidation.

The second element of the strategy concerns development of the type of farming operation best suited to meet the goals of increasing meat production and, at the same time, decreasing the dependence on imported feed.

The most suitable is the mixed farm with a land base capable of growing the feed requirements of the animal units being produced. There are many combinations that can be used, for example:

- (i) hogs - high-energy and protein crops - beef
- (ii) poultry - forage - beef
- (iii) orchard - forage - beef

- (iv) dairy - high-energy and protein crops - hogs

This type of farming also utilizes the animal by-products in the production of the crops.

The third element of the strategy involves the producer. To increase production at the rate projected will require full-time farmers who have an adequate land base. There are three groups to draw on:

- (a) successful farmers who have resource potential for expansion;
- (b) farmers prepared to expand production but who do not have an adequate resource base to enable them to expand to the point where it would not be necessary to supplement income with off-farm work; and
- (c) young people with the capability to operate a farm but lacking the equity to get started.

The fourth element of the strategy involves training and technology utilization. Farming is a business and is continually confronted with technological and economic changes. The farmer must be knowledgeable about management methods, keep abreast of technological changes and understand marketing. Young people entering the farming business must have a sound knowledge of management and a good background in the type of farming to be undertaken.

To fulfill these requirements a variety of tools must be utilized. These would include short courses, a combination of formal and on-farm training, and the use of an innovative demonstration program to encourage the development and adoption of suitable technology on the farm.

The following is a list of programs the province will carry out under this agreement:

FINANCIAL
PROVISIONS

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Land Development | \$31 400 000 | \$14 280 000 | \$17 120 000 |
| High-Energy and Protein Feed | 7 192 000 | 2 032 000 | 5 160 000 |
| Livestock Development | 6 200 000 | 1 240 000 | 4 960 000 |
| Horticulture | 2 425 000 | 485 000 | 1 940 000 |
| Special Development | <u>1 000 000</u> | <u>200 000</u> | <u>800 000</u> |
| TOTAL | \$48 217 000 | \$18 237 000 | \$29 980 000 |

ADMINISTRATION
AND MANAGEMENT

The appropriate federal and provincial ministers shall designate one or more senior officials in equal numbers to be responsible for the administration of this agreement. These officials shall constitute the management committee. The federal representation includes DREE and Agriculture.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Industrial Development |
| DURATION | June 22, 1976 to March 31, 1981 as amended September 28, 1976, February 10, 1977, May 2, 1978, May 17, 1978, June 9, 1978, September 14, 1978, November 1, 1978 and November 20, 1978 |
| OBJECTIVES | To support the development of new employment opportunities in Nova Scotia in the secondary and tertiary sectors of the economy; to encourage the development, expansion and efficiency of indigenous enterprises in Nova Scotia; and to increase the variety of employment opportunities available, with particular emphasis on higher skill and higher wage employment, particularly in certain intermediate-size communities. |
| BACKGROUND | <p>During the 1960s, manufacturing output in Nova Scotia showed fairly substantial gains but manufacturing employment grew at a very low rate. Only Quebec and Saskatchewan reported smaller employment gains during this period. From about 1970 on, however, an important reversal occurred with employment gains outstripping the national average. This is particularly significant when the service sector gains from manufacturing employment are taken into account.</p> <p>The Nova Scotia and Maritime markets are now judged to be of sufficient size and concentration to support the manufacture of product lines that were previously produced in and imported from central Canada. This "import substitution" activity and the growth in export-oriented firms have provided the province with its strongest gains in secondary manufacturing activity since the Second World War.</p> <p>An analysis of industry trends shows that a wide range of activities has contributed to the recent upturn. Among those showing the most impressive increases are the production of: pulp and paper, rubber products, ships and boats, railroad rolling stock, motor vehicles, petroleum products, carpets, mats and rugs, other furniture, fabricated and structural metal, electronic communications equipment, truck body and trailer manufactures, miscellaneous machinery and equipment, electrical wire, and industrial chemicals.</p> |

The gains realized by these industries more than offset the losses experienced by some of the more traditional activities, including fish processing and sawmilling.

Thus, for the first time in many years, secondary manufacturing has played a leadership role in the upward trend of the Nova Scotian economy.

Most of these manufacturing gains have been concentrated in the central counties of the province, and in particular in Halifax-Dartmouth, Truro and Amherst. This has combined with the urban bias of most of the high-growth service activities to make the central corridor of Nova Scotia one of the more rapidly expanding areas of Canada over the past five years.

The medium-size urban centres along this corridor have thus displayed a strong capability for generating secondary manufacturing activity over the past few years. These trends are expected to continue. Therefore, it is anticipated that secondary manufacturing will continue to play a leadership role in the future expansion of the intermediate-size centres.

Efforts are required, however, to accommodate and accelerate this growth in secondary manufacturing and to ensure that it provides the maximum possible benefits to the residents of these centres and to Nova Scotia generally.

The agreement was developed in close cooperation with the Nova Scotia Department of Development. It was signed by the Minister of DREE and the provincial Minister of Development.

ELEMENTS

There are five major elements to the strategy involved in this subsidiary agreement:

(a) Opportunity Identification, Analysis and Promotion

The purpose of this element is to identify the industries which would be suitable for Nova Scotia, undertaking analysis of their viability and providing for special promotional efforts. Studies of special infrastructure requirements and the development of an industrial information system in the provincial Department of Development will also be covered.

(b) Support for Local Enterprise

The purpose of this element is to provide assistance in the areas of management in general and marketing in particular, to help Nova Scotian business become firmly established and stay abreast of new markets and new techniques and thus maintain a strong competitive position. Skills and tools developed during this process will help smaller firms to lessen their dependence on government assistance in the long run. The cost of this second element is to be borne by the province.

(c) Industrial Location

The purpose of this element of the strategy is to reinforce existing growth patterns, particularly in the central corridor of the province, and to ensure the availability of serviced industrial land in industrial parks in the higher growth areas of Amherst and Debert, and at Kentville, Stellarton and Windsor, which are peripheral to the high-growth region. Also included are special activities related to industrial parks and provision for the establishment of shell factories.

(d) Provision of Industrial Infrastructure

The purpose of this element is to facilitate industrial expansion through provision of serviced industrial land and other basic infrastructure for specialized industries which may be better accommodated outside established industrial parks.

(e) Manpower Development

The purpose of this element of the strategy is to provide for the upgrading of skills in existing employment and to provide comprehensive manpower assistance to major new industries where required.

FINANCIAL
PROVISIONS

The following is a list of programs the province will carry out under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Opportunity, Identification, Analysis and Promotion | \$ 2 850 000 | \$ 570 000 | \$ 2 280 000 |
| Industrial Parks and Related Infrastructure | 11 879 000 | 2 375 800 | 9 503 200 |
| Industrial Infrastructure | 1 400 000 | 280 000 | 1 120 000 |
| Public Information and Evaluation | <u>160 000</u> | <u>32 000</u> | <u>128 000</u> |
| TOTAL | \$16 289 000 | \$3 257 800 | \$13 031 200 |

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a management committee composed of one or more senior officials to be appointed in equal numbers by the respective federal and provincial ministers.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Planning |
| DURATION | June 22, 1976 to March 31, 1980 |
| OBJECTIVES | To enable Canada and the province to provide a capability for undertaking studies and conducting such planning as is required to identify and analyze economic and socio-economic opportunities in Nova Scotia and to develop strategies, programs and subsidiary agreements pursuant to those opportunities. |
| BACKGROUND | <p>In 1973 an interim planning agreement between Canada and Nova Scotia was approved by Treasury Board. Under this agreement, several studies were undertaken to investigate development opportunities in Nova Scotia.</p> <p>The planning subsidiary agreement signed in May of 1976 continues and broadens the type of thrust begun under the interim planning agreement. In particular, it defines three areas for planning and development initiatives: Physical and Resource Planning, Research and Studies to Investigate Development Opportunities, and General Development Planning.</p> <p>Under the planning subsidiary agreement, DREE and the province are working closely together towards developing an overall development strategy for the province and undertaking the necessary planning and studies to implement the strategy. For example, background studies to develop a tourism subsidiary agreement for Nova Scotia and studies relating to SYSCO were funded under this agreement.</p> |
| ELEMENTS | <p>The three major elements of this subsidiary agreement are:</p> <p>(a) <u>Physical and Resource Planning</u></p> <p>This program deals with the assembly and analysis of baseline data and information regarding the location of development projects. The program will provide information regarding broad, sub-regional</p> |

development patterns, and assessments of the socio-economic and environmental impact on development at different locations. This is particularly important for projects which require unique physical facilities. (For example, oil platform construction requires protected, deepwater, steep-gradient harbours.) The program will complement and utilize information from the resource survey programs in other subsidiary agreements and on-going activities of the Maritime Resource Management Center. Activities in this program include studies dealing with land use, the assimilation of baseline data and information, and, possibly, environmental impact studies.

(b) Research and Studies to Investigate Development Opportunities

This program will fund studies to investigate specific development opportunities. The objective of the program is to provide the necessary background information and strategy for turning broadly defined development opportunities into job- and income-creating activities. Strategically, it deals primarily with attracting private sector investment to Nova Scotia. In certain instances, studies under this program will be jointly financed with private industry. It includes technical feasibility and pre-engineering studies required to put into place supportive infrastructure and social infrastructure, where applicable, for certain specific opportunities.

(c) General Development Planning

The objective of this program is to increase the efficiency of the provincial government in undertaking development within Nova Scotia. Areas to be investigated under this program include basic economic and social research and analysis.

With regard to basic economic research and analysis, an updating of the Nova Scotia input/output tables and their extension and modification for benefit/cost analysis will be undertaken.

FINANCIAL
PROVISIONS

The following is a list of programs the province will arrange to carry out under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Physical and Resource Planning | \$1 500 000 | \$ 750 000 | \$ 750 000 |
| Research and Studies to Investigate Development Opportunities | 3 000 000 | 1 500 000 | 1 500 000 |
| General Development Planning | <u>500 000</u> | <u>250 000</u> | <u>250 000</u> |
| TOTAL | \$5 000 000 | \$2 500 000 | \$2 500 000 |

ADMINISTRATION
AND MANAGEMENT

This agreement is managed by a committee composed of two representatives from DREE and two representatives from the province, as designated by the respective federal and provincial ministers. A coordinating committee composed of one federal representative and one from the province is responsible for the day-to-day operations of the agreement, including supervision of project teams for each of the projects included in the agreement.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Forestry |
| DURATION | June 28, 1977 to March 31, 1982 (retroactive to April 1, 1977) as amended July 14, 1977 and July 24, 1978 |
| OBJECTIVES | To maintain the existing aggregate employment based mainly on the softwood species and to increase employment opportunities and incomes in timber harvesting and processing, based mainly on the hardwood species. |
| BACKGROUND | <p>Land ownership patterns in Nova Scotia, highlighted by small parcels owned by many private owners, sharply contrast with Canadian patterns, where 91% of all productive forest is Crown land. This Nova Scotia characteristic presents special problems for consideration in developing integrated resource management programs. Recent inventory information on the province's 92 million cunits of marketable growing stock indicates that 22% of the stock is on provincial Crown land and 78% is on private land. Average capability of forest land for timber production, based on good forest management and other assumptions, could eventually allow harvesting and processing of two to three times more timber.</p> <p>In 1967, small ownerships produced 59% of the total harvest; in 1975, they produced only 39%. The declines in pulpwood production were more pronounced: from 64% to 38%. Although the output from large ownerships and Crown land has made up for this decline, large private owners cannot long sustain their present production level. In addition, many small ownerships are now producing a fraction of the yield of the forest products that they could produce.</p> <p>Other trends and problems, beyond physical accessibility and related fragmented ownership patterns, indicate softwood species overcutting by 10% to 20% while hardwood cuts may be at only one third of their potential. Insect infestation in decadent, over-mature/mature timber has reached serious proportions in Cape Breton Island and other areas.</p> |

To achieve the objectives, programs have been identified to maintain employment in existing softwood-using industries and to permit expansion of employment in harvesting and manufacturing based mainly on hardwoods. Future supply of suitable timber is ensured through more effective management of private and public lands.

ELEMENTS

There are five major programs in this agreement:

(a) Forest Management

The immediate goal of this program is to increase productivity on all classes of forest-land holdings, improve physical access, and reduce diseconomies attributable to fragmentation and scale. To achieve these goals, separate projects for forest management on private lands and Crown lands, group management and access to spruce-budworm-infested forests have been developed.

(b) Forest-Industry Development

- (i) This element is designed to fully explore potential markets, identify possible manufactured products and locate areas for hardwood-based industry development.
- (ii) This element will encourage future profitability of the sawmilling segment by encouraging larger and more efficient plants and equipment, by increasing the recovery of usable material and by improving safety and working standards.

(c) Support Services

Successful implementation of the forest management and forest industry development programs requires a number of support services. These consist of refinements to the resource data base, organization of forest management crews, and the establishment of consulting foresters.

(d) Education, Public Information and Evaluation

Lack of knowledge and understanding of forest management, harvesting and timber utilization is a contributing factor to the generally low productivity of private forest lands, and harvesting and processing waste. Activities

are required to overcome these barriers and to ensure that proper and adequate information is communicated to land owners and industry. A manual of good forest practice will be published under the planning agreement to assist this communication process. On-going evaluation is also necessary in this total process.

(e) Wood Salvage/Storage and Ancillary Forest Management

The immediate goal of this program is to salvage and place in storage budworm-infested wood on Cape Breton Island in an effort to realize maximum economic benefit from the threatened resource and to help alleviate short-term wood shortages. Concurrently, reforestation and other intensive management activities will be undertaken, aimed at rebuilding the damaged forests.

FINANCIAL
PROVISIONS

The following is a list of programs the province will arrange to carry out under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|--|---------------------------------|-----------------------------|--------------------------|
| Forest Management | \$23 436 000 | \$ 4 687 000 | \$18 749 000 |
| Forest Industry Development | 900 000 | 300 000 | 600 000 |
| Support Services | 599 000 | 244 000 | 355 000 |
| Education, Public Infor- mation and Evaluation | 635 000 | 127 000 | 508 000 |
| Wood Salvage/Storage and Ancillary Forest Management | <u>34 967 500</u> | <u>19 037 500</u> | <u>15 930 000</u> |
| TOTAL | \$60 537 500 | \$24 395 500 | \$36 142 000 |

ADMINISTRATION
AND MANAGEMENT

This agreement is managed by a committee composed of two representatives from the federal government and two from the province, as designated by the respective ministers. A coordinating committee composed of two federal representatives and two from the province is responsible for the day-to-day operations of the agreement, including supervision of project teams for each of the projects included in the agreement.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Tourism Development |
| DURATION | June 28, 1977 to March 31, 1982 (retroactive to April 1, 1977) as amended June 29, 1978, October 31, 1978 and May 16, 1979 |
| OBJECTIVES | The objective of this agreement is to create employment opportunities and increase incomes by further developing the tourism industry in Nova Scotia. |
| BACKGROUND | <p>The task of encouraging and creating new employment opportunities in the less developed areas of Canada is substantial. One sector which does have potential employment opportunities for non-urban areas, however, is the travel industry.</p> <p>The Royal Commission on Canada's Economic Prospects made the following observations about the relationship of the travel industry to economic development: "The tourist business is of special importance as a possible avenue of economic development for so-called problem areas. Many parts of Canada that are the least promising agriculturally, industrially, or in terms of, say, mineral resource possibilities, are the most promising for recreational development."</p> <p>Several changing socio-economic factors imply that the travel industry will continue to be a growth industry. Increasing population, increasing disposable income, rapid urbanization, increased leisure time as a result of the reduction of the work day, work week, and work life; more advanced education; and increased ownership of complementary goods such as automobiles all imply that the demand for travel will continue to increase. Although the proportion of the total population taking vacation trips has increased, there is still a large untapped market. In 1975 only 63% of all Canadian adults took a vacation trip, while in the Atlantic provinces only 57% of all adults took a vacation trip.¹</p> |

¹ Canadian Government Office of Tourism, "Vacation Trends by Canadians".

The travel industry is made up of two basic elements: "extra muros" travel which is a product of the travel of people from outside the region (Nova Scotia) and "intra muros" travel which results from travel within the region by residents of the region. Extra muros travel results in an injection of money into the economy of a region, while intra muros travel has an import substitution effect. The travel industry, particularly as an export industry, can contribute significantly to raising the level of output, income and employment in Nova Scotia.

The total direct value of expenditures on travel in Nova Scotia in 1975 was approximately \$300 million. Of this amount, approximately \$48 million was spent on accommodation; \$85 million on food and beverages; \$108 million on transportation; \$9 million on entertainment and recreation; and \$49 million on other goods and services. Total travel expenditures in Nova Scotia in 1975 directly created \$27.6 million in provincial tax revenue; \$5.6 million in municipal tax revenue; and \$26.5 million in federal tax revenue. These expenditures created approximately 12 000 direct full-time job equivalents and approximately 13 000 indirect and induced full-time job equivalents in Nova Scotia. Travel-industry-related employment accounted for approximately 9% of total employment in Nova Scotia in 1975.

Value-added in the travel industry (wages and salaries, supplementary labour income and return on investment, interest and rent) in 1975 was \$100 million. Compared to the goods-producing industries, the travel industry ranks behind the manufacturing and construction industries but it is ahead of the resource industries of agriculture, fishing, forestry and mining.

Recognizing the importance of the travel industry to Nova Scotia, the provincial Department of Tourism adopted a policy and strategy in 1975 for developing the tourism industry of Nova Scotia. This agreement is intended to facilitate implementation of certain elements of this policy, largely those related to generating income and employment opportunities. Other elements of the provincial policy and strategy will be undertaken by the Department of Tourism on its own or in cooperation with other provincial departments.

(a) Increase the Length of the Tourist Season

Traditionally, the tourist season in Nova Scotia has been viewed by visitors and residents alike as embracing only the months of July and August. Past efforts to promote a longer season have met with only modest success. Psychologically, people are conditioned to think of summer as ending on Labour Day when in fact the Maritimes enjoy relatively warm weather well into the autumn. To increase the length of the tourist season requires, among other things, the keeping of seasonal accommodation and tourist attractions open for a longer period; the provision of new attractions, events and entertainment at suitable locations; provision of indoor activities to meet off-season weather conditions; and the coordination of advertising, marketing and other efforts designed to create bus tour, group business and individual packages for the extended season.

(b) Extend the Stay of Travellers Who Come to Nova Scotia

Tourists often do not stay in Nova Scotia as long as could be wished, even though the average length of stay has increased slightly since 1971. The development of regional destination areas and improvements in the travelway system should have the effect not only of dispersing visitors more evenly throughout the province but also of persuading them to stay longer. The provision of better quality accommodation and food services and of increased activities throughout an extended season should also help extend the stay of travellers and disperse them more evenly.

(c) Increase the Amount of Money Spent per Traveller per Day

The percentage of the tourist dollar spent on purchases and entertainment in Nova Scotia is less than one would expect on the basis of experience elsewhere. Whatever the cause, one result is that the multiplier effect of tourism is lower than it could be. Research of visitor preferences suggests that next to sight-seeing, shopping is the most popular activity, and that low spending is the result primarily of lack of spending opportunities.

Clearly there is a need to improve the number and distribution of entertainment and recreational facilities and of suitable retail outlets for handcrafts and other items of interest to visitors.

- (d) Distribute Travel Expenditures Geographically According to Opportunities for Profitable Investment and the Need of Areas for Income and Employment Opportunities

Geographical distribution of tourists throughout the province has tended to be very uneven, with some areas experiencing an overflow in peak season and others receiving too few to be of real economic benefit. Some areas have not developed their attractions sufficiently to generate investment in accommodation and facilities and, therefore, benefit very little from visitors passing through. The rural areas, unfortunately, have suffered the most in this respect.

A more even diffusion of visitors throughout the province will facilitate more equitable distribution of the economic benefits associated with the travel industry. Specifically, this agreement will attempt to stimulate increased tourist expenditures at designated areas within rural Nova Scotia.

- (e) Increase the Total Number of Visitors

Obviously, an increase in the total number of visitors to Nova Scotia is an important element of a tourism strategy. This is, however, but one element which must be carefully planned. An increase in the number of visitors during peak periods or in areas which have already reached the saturation point can create problems. The aim, therefore, is to increase the number of visitors in those areas which can accommodate more tourists, and at the time of the year when occupancy rates are low. Consequently, this part of the strategy is closely related to the geographical distribution of tourists and to increasing the length of the tourist season.

FINANCIAL
PROVISIONS

Two programs have been included in this agreement. The first program encompasses various province-wide projects aimed at promoting the tourist industry within Nova Scotia, improving the efficiency of the industry, expanding the industry where possible and desirable, and extending the tourist season. The second program relates directly to the development of designated destination areas through projects designed to construct or expand major attractions, provide suitable attractions for day trips, and coordinate planning, promotion and implementation efforts within the destination areas.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Tourism Development - General | \$ 5 220 000 | \$1 044 000 | \$ 4 176 000 |
| Tourism Development - Destination Areas | <u>8 530 000</u> | <u>1 706 000</u> | <u>6 824 000</u> |
| TOTAL | \$13 750 000 | \$2 750 000 | \$11 000 000 |

ADMINISTRATION
AND MANAGEMENT

The appropriate federal and provincial ministers shall designate an equal number of senior officials to be responsible for the administration of this agreement. These officials shall constitute the management committee.

NOVA SCOTIA

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Energy Conservation |
| DURATION | July 4, 1978 to March 31, 1983 |
| OBJECTIVES | <p>To minimize employment and income losses resulting from increases in energy prices; to create employment and income opportunities in a new provincial industry; to develop, with broad public involvement, plans and programs for the Nova Scotia energy system and its components. To enhance employment opportunities in Nova Scotia through a series of measures which will keep energy outlays to employers and consumers significantly lower than they would otherwise have been; and to be a stimulus to the development of a new provincial industry, namely the production, installation and servicing of energy-conserving and renewable-energy technologies.</p> |
| BACKGROUND | <p>The 1974 OPEC oil embargo shocked the Nova Scotian economy, as it did the rest of the industrial world. It is generally agreed that high energy prices are here to stay, and that the necessary policy framework is one of managing the adjustment process to the new equilibrium.</p> <p>Oil, all of it from foreign sources, accounts for 79% of Nova Scotia's total energy supply, the remainder being hydro and coal. No other province has as high an oil dependency. The price paid for oil since the 1974 OPEC embargo has quadrupled, and more increases are foreseen as the Oil Import Compensation Program winds down. Though shared by other Canadians, these prices work to the comparative disadvantage of Nova Scotian industries and consumers because:</p> <ul style="list-style-type: none">(a) the already weak economic base in Nova Scotia has less ability to adjust to changing circumstances;(b) delivered Nova Scotian finished goods tend to have a higher energy content than those of other provinces due to the great distances to Canadian and international markets -- distances which are overcome only by burning foreign oil; |

- (c) the lower income base of Nova Scotians means that a greater fraction of disposable income is expended upon energy commodities (10.6% in Nova Scotia versus 7.3% nationally in 1976), thus lowering even more the aggregate demand available for the sustenance of employment opportunities in the province; and
- (d) 68% of the electricity produced was, in 1975, dependent upon oil, meaning that industrial electricity users are particularly exposed to changes in world oil prices; in addition, Nova Scotia possesses little potential in the way of low-cost hydro generation which could offset the high cost of a new capacity of any type.

Some control over energy costs may be achieved with conversion from oil to coal, uranium, or even wood. Vigorous efforts to curb energy waste and to substitute more efficient machines and processes may be even more useful. These opportunities should be evaluated and pursued where economically justified. Experimentation with renewable-energy resources and other non-conventional energy-supply technologies may give Nova Scotia a head start on the coming era of declining oil supplies, both through the installation of relatively inflation-proof equipment and through the building of an industrial base to supply local and out-of-province markets.

The agreement was developed in close cooperation with the Nova Scotia departments of Mines and of Development, and the federal Department of Energy, Mines and Resources. It was signed by the ministers of DREE, and Energy, Mines and Resources and the provincial ministers of Mines and of Development.

ELEMENTS

The main elements of the strategy encompassed in this agreement are:

- (a) Improving the efficiency of energy use in all sectors of the economy by:
 - i) encouraging the substitution of more efficient machinery, equipment or processes for less efficient kinds;
 - ii) encouraging co-generation and new soft technology; and
 - iii) developing an industry mix which reflects the energy situation, where appropriate.

- (b) Minimizing the long-run social cost of providing energy, after accounting for security of supply, by:
 - i) using peak-load pricing and other financial policies by the Nova Scotia Power Corporation and other energy-providing institutions so that customers are informed of the true cost of energy supply;
 - ii) cooperative supply planning with neighbouring provinces through the Maritime Energy Corporation and other appropriate government agencies;
 - iii) engaging in practical experiments and demonstrations of energy-conserving and renewable-energy technologies; and
 - iv) providing support to a research, development, testing and technical information facility.
- (c) Developing, with broad public involvement, plans and programs for the Nova Scotia energy system and its components.

PROGRAMS

This subsidiary agreement consists of two programs: one to develop an energy system plan, and one to ensure that the province's energy resources are properly utilized.

- (1) The Energy System Planning Program will evaluate and recommend the combination of energy sources and alternatives which will best meet Nova Scotia's short- and long-term needs. The province, by understanding the relationships in its energy needs in the short- and long-term, will be able to respond to, and to input into national policy. The problem will be considered in both specific and universal terms, and public participation will be solicited in the development of a provincial energy plan.
- (2) The Energy Opportunities Program is intended to moderate the rate at which the cost of energy to the industrial and domestic consumer is increasing. This program is also intended to encourage the development, evaluation and demonstration of alternate energy devices, and to capitalize on employment opportunities which are anticipated to result from the adoption and widespread uses of these alternate energy devices. This program breaks out into seven projects:

Load Management
Industrial Retrofitting
Co-generation and New Soft Technology
Pilot Projects
Energy Test Centre
Public Information
Evaluation

- (a) A Load Management project will assess the costs and benefits to producers and users of electricity of reformed rate structures which more closely approximate the cost of providing power at different times. Both price-based and direct means of peak reduction will be developed, tried on an experimental basis, and introduced system-wide where warranted. The project will be carried out by the Nova Scotia Power Corporation. The project is designed to allow other Canadian utilities to learn from the Corporation's experience.
- (b) The Industrial Retrofitting Project will provide financial incentives to Nova Scotian companies who make changes in production methods and/or plant designs, which will lead to a significant reduction in energy consumption. Companies qualifying for funding under this project will be required to avail themselves of the services which are provided through the ENER\$AVE program.
- (c) The Co-generation and New Soft Technology project will examine sites at which it may be feasible to produce and use both heat and electricity from a single plant for commercial purposes. In some locations (e.g., Point Tupper), it is felt that such co-generation could be achieved by using wood and/or coal in place of imported oil. This project will provide funds to determine the socio-economic benefits of a site-specific co-generation scheme. Also, applications of new soft technology in energy will be examined.
- (d) A number of Pilot Projects will be undertaken or funded to explore the feasibility of harnessing renewable alternative sources of energy. Such resources include the sun, wood, district heat,

hydro and others. When practical, demonstration projects will be mounted to acquaint the public with these alternatives.

- (e) An Energy Test Centre (ENERTIC) will be established to test, develop and demonstrate new energy-saving devices and equipment. Its findings will be available to government, industry and the general public. ENERTIC will cooperate with the National Research Council, the Department of Energy, Mines and Resources, the Nova Scotia Research Foundation, and all similar agencies, universities and colleges throughout Atlantic Canada.
- (f) The Public Information project will enlist public participation in discussions about energy-related topics, and will provide information on developments and innovations related to energy use.
- (g) The Evaluation project will entail a formal objective evaluation of the agreement at the end of the second year, and a second evaluation at the end of the fifth year, when the agreement has run its course.

FINANCIAL PROVISIONS

The following is a list of programs/projects the province will carry out under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| PROGRAM I | | | |
| <u>Energy System Planning</u> | \$ 3 000 000 | \$1 500 000 | \$ 1 500 000 |
| PROGRAM II | | | |
| <u>Energy Opportunities</u> | | | |
| Load Management | 3 000 000 | 600 000 | 2 400 000 |
| Industrial Retrofitting | 10 875 000 | 2 175 000 | 8 700 000 |
| Co-generation and New Soft Technology | 600 000 | 120 000 | 480 000 |
| Pilot Projects | 5 300 000 | 1 060 000 | 4 240 000 |
| Testing Service | 1 500 000 | 300 000 | 1 200 000 |
| Public Information | 500 000 | 100 000 | 400 000 |
| Evaluation | <u>100 000</u> | <u>20 000</u> | <u>80 000</u> |
| TOTAL | \$24 875 000 | \$5 875 000 | \$19 000 000 |

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a management committee composed of three senior officials appointed by each of the federal and provincial ministers.

NEW BRUNSWICK

NEW BRUNSWICK

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) with New Brunswick was signed April 23, 1974, by the Minister of Regional Economic Expansion and the Premier of New Brunswick.

The primary objective of this agreement is to reduce the gap in earned income per capita between that province and Canada as a whole. A further objective is that per capita incomes should be raised while minimizing net migration from the province. To meet these objectives, the development strategy is aimed at achieving a faster rate of growth in provincial output by raising productivity, increasing the number of viable employment opportunities, and encouraging the development of a skilled and versatile labour force.

Specific strategies to be employed to meet the objectives include:

- (a) the identification, pursuit and realization of development opportunities through the coordinated application of relevant federal and provincial programs;
- (b) the joint funding of infrastructure required to support development opportunities as well as to facilitate broader community and area development;
- (c) for resource-based industries, to raise incomes through greater productivity and maintenance of employment by increased output of primary products. A major element of this strategy will be to encourage the processing in New Brunswick of natural resources now exported in raw form and the production of higher value products. Resources of concern are: agriculture, forestry, minerals and fish;
- (d) in recent years manufacturing not directly based on natural resources has increased its share of employment in New Brunswick, with some diversification into product lines new to the province. The further diversification of the manufacturing base into items of higher value requiring modern technology and skilled labour will continue to be of high priority in the development strategy; and
- (e) tourist activity provides provincial residents with a valuable source of income and employment. The development strategy will focus on the most effective means by

which residents of New Brunswick can benefit from the increasing flow of travellers and visitors to the province.

Summaries of currently active subsidiary agreements follow.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Forestry |
| DURATION | Schedules "A" and "B": February 17, 1975 to March 31, 1980 (retroactive to October 15, 1974) as amended February 27, 1976, March 31, 1977, March 9, 1979 and March 29, 1979; Schedules "C" and "D": July 21, 1978 to March 31, 1982 (retroactive to July 1, 1978) as amended March 31, 1979. |
| OBJECTIVES | To mount a comprehensive, province-wide forestry development program that would increase production of high-quality timber and expand the wood-processing industry, thus improving employment and earning opportunities for local people. |
| BACKGROUND | <p>The programs and projects to be carried out under this forestry agreement are based on the results of the New Brunswick Forest Resources Study, the product of a separate federal-provincial agreement made in March 1972. To realize the full potential for timber production and significantly expand processing capacity, it will be necessary to improve the management of public and private forest lands. Priority has been placed upon the development of an increased wood supply of improved quality which can be produced and sold on the domestic and world markets at competitive prices. To achieve this objective, effective resource allocation, more complete utilization and an improved wood delivery system will be necessary.</p> <p>The agreement provides for major development efforts to be undertaken on a pilot basis in the Bathurst region to test, under operational conditions, new policies for wood allocation and new techniques in forest management and harvesting.</p> <p>Over one half of the funds provided under the agreement are devoted to intensified forest management. This includes the development of better forest-management information; the expansion of forest-nursery capabilities; increased tree planting and stand improvement; the development of an integrated network of forest roads; the testing of forest protection concepts; and the development of other uses of the forest resource, including recreation. In addition, measures are to be taken to encourage increased productivity and output from private woodlots.</p> |

Other programs are focused on increasing resource utilization through the adoption of more efficient harvesting techniques, improved transportation facilities and industrial development. Within the pilot area, a serviced industrial site for a wood-industries complex is being established.

To support these initiatives, the agreement provides for the development of programs to upgrade the woods labour force, the supply of professional and technical services and the design of an institutional facility to accommodate forest resource-oriented education, research and administrative activities.

In July of 1978, a major amendment to this agreement was agreed to by both governments. Schedules "C" and "D" were added to the already established Schedules "A" and "B". Under these new schedules, further initiatives are being undertaken with the objective of creating jobs with a favourable and lasting effect on the economy in areas of high unemployment within the province. The approach to these initiatives is to be consistent with that established for existing job-creation programs of the Canada Employment and Immigration Commission and is to be undertaken through a new four-year program.

ELEMENTS

There are six program elements under this agreement. Under Schedules "A" and "B", these are:

- (a) Forest Management - which covers such subjects as woodlands inventory, silviculture, Crown-land consolidation, resource protection, multiple-use development, arterial-road system, and private-woodlot management.
- (b) Resource Utilization - which deals with forest harvesting, industrial development, and transportation.
- (c) Manpower Development - which includes studies of problems of recruiting, supply, demand, working conditions, benefits and training as well as education and research.
- (d) Administration - to cover costs of staff expenses and related equipment, the planning and design of new facilities and other associated costs.

- (e) Pilot Project - to provide assistance for establishing and maintaining a management team, to implement the pilot project and establish the Forestry Industrial Park near Bathurst.

Schedules "C" and "D" contain one program:

- (a) Resource Development and Accelerated Employment - which covers stand improvement, development of private woodlots, site preparation and plantation tending, Crown-land management support and forest multiple-use development.

| FINANCIAL PROVISIONS | ESTIMATED TOTAL COST | PROVINCIAL SHARE | FEDERAL SHARE |
|---|-------------------------|---------------------|------------------|
| Forest Management | \$48 287 350 | \$ 9 657 470 | \$38 629 880 |
| Resource Utilization | 4 560 900 | 912 180 | 3 648 720 |
| Manpower Development | 2 663 400 | 532 680 | 2 130 720 |
| Administration | 1 627 250 | 325 450 | 1 301 800 |
| Pilot Project | 4 489 600 | 897 920 | 3 591 680 |
| Resource Development and Accelerated Employment | <u>12 600 000</u> | <u>3 000 000</u> | <u>9 600 000</u> |
| TOTAL | \$74 228 500 | \$15 325 700 | \$58 902 800 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a management committee consisting of equal numbers of representatives of each government, designated by the respective federal and provincial ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Industrial Development |
| DURATION | February 17, 1975 to March 31, 1980 as amended February 11, 1977 and March 22, 1979 |
| OBJECTIVES | To expand, diversify and strengthen manufacturing and processing activities in the province. Specifically, it will seek to diversify manufacturing into higher-value products requiring modern technology and skilled labour, and to encourage the establishment of industries based on the province's natural resources or its strategic Maritime location. |
| BACKGROUND | <p>Major portions of the funds provided under the agreement are devoted to opportunity identification and promotion, and provision of industrial infrastructure. This includes provision of facilities, equipment and services required to carry out experimental manufacturing enterprises for industrial locations or expansions; acquisition and servicing of industrial sites in areas where there is a significant demand for industrial land; and the provision of finished factory space and related facilities supplying central administrative and technical services simultaneously to several manufacturers wishing to produce new products. Other initiatives are directed toward the formulation, monitoring and evaluation of industrial development policies and programs, and the planning of technical and impact studies related to specific industrial development opportunities and projects.</p> <p>This agreement was developed in consultation with the federal departments of Finance, and Industry, Trade and Commerce, and with various provincial departments. It was signed by the Minister of DREE, the Premier of New Brunswick, and the New Brunswick Minister of Economic Growth.</p> |
| ELEMENTS | <p>There are four program elements under this agreement:</p> <p>(a) Planning of Industrial Development - Funds will be provided for a small staff and other</p> |

services for a planning and programming unit to be established in the New Brunswick Department of Economic Growth. Planning studies will also be supported.

- (b) Regional Industrial Development - Funds will be provided for the establishment of regional industrial development commissions in a number of regions, as well as for additional provincial staff required to assist the commissions.
- (c) Assistance to Manufacturing Industry - This will involve investment in buildings, equipment and initial operating expenditures to carry out experimental manufacturing and marketing on a scale intermediate between pilot and full production. Sales of products and patents might generate some revenue, which would be shared between the governments in the same proportions as the funding.

Also included in this element is the provision of factory space when necessary to assist manufacturing enterprises to become established.

A program of aid to small industries provides forgivable loans for new construction or expansion in certain counties.

- (d) Provision of Industrial Infrastructure - Funds will be provided for: the acquisition and servicing of industrial sites; creation of an industrial mall in which space will be rented; and the funding of other industrial infrastructure if necessary, at as yet unidentified sites, to promote investment by private industry.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|-----------------------------|-------------------------|-----------------------------|
| Planning of Industrial Development | \$ 3 543 000 | \$ 708 600 | \$ 2 834 400 |
| Regional Industrial Development | 5 117 250 | 1 023 450 | 4 093 800 |
| Assistance to Manufacturing Industry | 5 167 500 | 1 033 500 | 4 134 000 |
| Provision of Industrial Infrastructure | <u>16 400 000</u> | <u>3 280 000</u> | <u>13 120 000</u> |
| TOTAL | \$30 227 750 | \$6 045 550 | \$24 182 200 |

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a management committee consisting of equal numbers of representatives of each government, designated by the respective federal and provincial ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

TITLE Kent Region Pilot Project

DURATION February 17, 1975 to March 31, 1980
as amended February 11, 1977

OBJECTIVES To undertake a pilot project which would assist residents of the Kent Region (Kent County and Hardwick and Rogersville parishes in Northumberland County) in developing and implementing projects in fisheries, forestry, agriculture, resource-based manufacturing, tourism and recreation, in order to improve income and employment opportunities in the region and to gain experience which could be usefully applied in other areas of Canada.

BACKGROUND Although the Kent Region is presently characterized by high unemployment and low income, it has potential for substantial economic expansion. A variety of organizations, including New Brunswick NewStart, regional development groups and federal and provincial agencies, have studied development possibilities in the Kent Region. Among development opportunities identified to date are: increasing production and processing of agricultural products; increasing returns from regional forests through improving their management and increasing local value-added; developing Christmas tree stands; expanding tourist facilities based on the scenic and historic resources of the area and the growth of Kouchibouguac National Park; increasing returns from the fisheries and increasing the locational advantages to attract manufacturing activity to parts of the region.

One of the most promising aspects of the Kent situation is the interest and initiative of the local people, who may be encouraged to capitalize on area potential. To facilitate this, measures must be taken to encourage interested individuals or groups to explore opportunities and, where possible, to assist them in obtaining necessary information, technical guidance and capital to pursue opportunities.

This agreement was signed by the Minister of DREE and the Premier of New Brunswick.

ELEMENTS

The main program elements of this agreement are:

- (a) Resource Development and Technical Support Program - This will involve providing financial assistance to projects as they become ready, providing technical and marketing guidance, and studying selected sectors, such as agriculture, forestry, fishery, and tourism. A small industry development program is also included.
- (b) Infrastructure Program - This involves funding municipal services and other facilities in communities where a lack of such facilities is demonstrated to be hindering economic expansion.

| FINANCIAL PROVISIONS | ESTIMATED TOTAL COST | PROVINCIAL SHARE | FEDERAL SHARE (DREE) |
|---|-------------------------|---------------------|-------------------------|
| Resource Development and Technical support | \$4 985 250 | \$ 997 050 | \$3 988 200 |
| Infrastructure | 1 782 500 | 356 500 | 1 426 000 |
| Program Administration | <u>983 250</u> | <u>196 650</u> | <u>786 600</u> |
| TOTAL | \$7 751 000 | \$1 550 200 | \$6 200 800 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a management committee consisting of an equal number of representatives of each government, designated by the respective federal and provincial ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Saint John and Moncton Arterial Highways |
| DURATION | February 17, 1975 to March 31, 1981 as amended December 16, 1975, December 13, 1977, March 22, 1978, November 28, 1978 and March 22, 1979 |
| OBJECTIVES | To complete the work begun under earlier Special Areas agreements on arterial roads required to improve the transportation of goods and people within Saint John and Moncton, and thus contribute to the further development of these major growth communities. |
| BACKGROUND | <p>This subsidiary agreement upholds a joint commitment by both governments to continue construction of the following major urban arterial roads: Wheeler Boulevard in Moncton, the Shediac Highway, and the Saint John Throughway.</p> <p>Construction was initiated under the Canada-New Brunswick Special Areas Agreement through which DREE contributed \$5.5 million toward the cost of constructing Wheeler Boulevard, a further \$2.0 million in loans for land acquisition, and \$21.3 million toward construction costs and a further \$6.7 million in loans for land acquisition for the Saint John Throughway. The entire throughway was opened in December 1976.</p> <p>These urban arterial highways will make a significant contribution towards economic and socio-economic development in these larger metropolitan areas of the province.</p> <p>This agreement was signed by the Minister of DREE, the Premier of New Brunswick and the New Brunswick Minister of Highways.</p> |
| ELEMENTS | <p>(a) <u>Saint John Throughway</u></p> <p>To complete the design and construction of certain portions of a limited-access throughway in the city of Saint John from the eastern end of the Harbour Bridge to MacKay Highway. Although not fully complete, this section of the throughway was opened to traffic on December 22, 1978.</p> |

(b) Wheeler Boulevard

To complete the design and construction of portions of a limited-access four-lane regional arterial highway as a ring route around the Moncton urban area, and certain related connecting roads to the Trans-Canada Highway and south shore communities.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Saint John Throughway | \$26 700 000 | \$ 8 010 000 | \$18 690 000 |
| Wheeler Boulevard and Shediac Highway | <u>24 500 000</u> | <u>7 350 000</u> | <u>17 150 000</u> |
| TOTAL | \$51 200 000 | \$15 360 000 | \$35 840 000 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a management committee consisting of an equal number of representatives of each government, designated by the respective federal and provincial ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Planning |
| DURATION | December 16, 1975 to March 31, 1980 (retroactive to April 1, 1975) |
| OBJECTIVES | The objective of this agreement is to provide funds to acquire external staff and services to undertake studies and to carry out the planning activities required to identify and analyse economic and socio-economic development needs and opportunities in New Brunswick and to develop and implement strategies, programs and subsidiary agreements pursuant to those needs and opportunities. |
| BACKGROUND | <p>In recognition of the need to reinforce and supplement the provincial government's planning capability in order to better identify and analyse socio-economic development opportunities in New Brunswick, development of a planning subsidiary agreement under the GDA was undertaken.</p> <p>While other subsidiary agreements provide assistance for the planning of activities in various sectors and for specific developments, this agreement will supplement the resources available to Canada and the province to meet planning and coordination requirements which are beyond the scope of other subsidiary agreements.</p> |
| ELEMENTS | <p>It will provide funds to acquire external professional services in order to carry out the following tasks:</p> <ul style="list-style-type: none">(a) general development planning to determine best allocation of resources under the GDA;(b) research and studies to investigate potential opportunities prior to their consideration as subjects for subsidiary agreements;(c) planning of physical development to demonstrate development and economic change in an orderly manner; and(d) coordination of the activities under each subsidiary agreement to permit reaction to |

changing circumstances and adjustment of
program priorities where necessary.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|-------------------------|---------------------------------|-----------------------------|---------------------------------|
| | \$4 875 000 | \$2 437 500 | \$2 437 500 |

ADMINISTRATION AND MANAGEMENT The overall management of this agreement will be the responsibility of a committee consisting of an equal number of representatives of each government, designated by the respective federal and provincial ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Tourism Development |
| DURATION | December 16, 1975 to March 31, 1980 (retroactive to November 3, 1975) as amended October 28, 1977 and March 22, 1978 |
| OBJECTIVES | <p>To encourage development of the New Brunswick tourism sector and improve productivity in the industry by increasing tourism spending in New Brunswick through:</p> <ul style="list-style-type: none">(a) increasing the number of visitors;(b) lengthening the average tourist visit; and(c) expanding tourist activities in the shoulder and winter seasons. |
| BACKGROUND | <p>Tourism activities currently make an important contribution to employment and incomes in New Brunswick. In 1973, about 48% of all travel expenditures in the province were attributable to non-resident tourists, while a further 15% of travel expenditures were attributable to resident tourists. Hence, approximately 63% of the total 1973 travel expenditures of \$125 million can be attributed to tourists, making tourism activities a significant contributor to the 14 900 person-years of employment and \$49 million of household income generated by the province's travel industry during that year.</p> <p>Based on expected continued growth in the demand for the type of attractions that New Brunswick can offer tourists, there is considerable potential for the expansion of the province's tourism sector. By undertaking measures to promote and develop existing and potential attractions, and by the introduction of measures aimed at encouraging increased private-sector participation in tourism-related ventures, it is expected that the extent to which the growing tourism demand is captured in the province can be significantly increased.</p> <p>To expand the tourism industry in New Brunswick, one of the principal requirements is to induce visitors to stay longer. By virtue of its location, New Brunswick is characterized as a "pass-through" province in that it attracts a</p> |

large number of tourists who traverse the province en route to destinations in other Atlantic areas. Consequently, these visitors spend a relatively small amount of time in New Brunswick and have a disproportionately low average spending rate.

The basis of the approach to the development of the tourism industry in New Brunswick is an interim strategy jointly prepared by the federal and provincial governments which is designed to counteract key problems, such as the traverse phenomenon, over the next three to five years through the use of a "destination area" approach to development. The strategy outlines the kinds of development efforts which will be required to enable destination areas to realize their potential in regard to attractions, services and facilities necessary to draw significant numbers of visitors for overnight and extended stays.

ELEMENTS

There are two program elements under this agreement:

- (a) Essential Resource Services - which are designed to supplement the resource available for the planning, development and coordination of the New Brunswick tourism industry and to provide resources in the areas of planning, financial assistance and land acquisition to complement the infrastructure program; and
- (b) Infrastructure - which is designed to increase the level of expenditure by tourists and visitors to the province through the provision of necessary tourism infrastructure such as visitor-orientation centres, beach redevelopment, construction of a major handcraft centre, development of summer and winter parks, development of historical attractions and development of a provincial hospitality school.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|-----------------------------|---------------------------------|-----------------------------|---------------------------------|
| Essential Resource Services | \$ 5 937 920 | \$1 187 584 | \$ 4 750 336 |
| Infrastructure | 8 705 600 | 1 741 120 | 6 964 480 |
| Reserve | <u>99 480</u> | <u>19 896</u> | <u>79 584</u> |
| TOTAL | \$14 743 000 | \$2 948 600 | \$11 794 400 |

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a management committee consisting of equal numbers of representatives of each government, designated by the respective federal and provincial ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Minerals and Fuels Development |
| DURATION | June 24, 1976 to March 31, 1981 |
| OBJECTIVES | <p>To undertake measures directed towards the attainment of maximum economic and socio-economic net benefits from the mineral resources of New Brunswick while ensuring the maintenance of a high level of environmental quality. This objective will be achieved by:</p> <ul style="list-style-type: none">(a) the promotion of private investment in both exploration and mine development;(b) the encouragement of further processing of indigenous minerals; and(c) measures aimed at contributing to national self-sufficiency in fuel supply. |
| ELEMENTS | <p><u>Financing and Operation</u></p> <p>Canada is contributing 80% of the total eligible costs up to an amount of \$9 050 500 in federal funding which includes a 15% contingency allowance. To assist with the interim financing of programs and projects, Canada may, if the province so requests, make interim payments to the province of 100% of Canada's share of claims submitted based on estimates of costs actually incurred. There are two programs being implemented under this agreement:</p> <ul style="list-style-type: none">(a) <u>Opportunity Identification</u> <p>The opportunity identification program provides for: an examination of the development potential of New Brunswick's energy resources; exploration and evaluation of known mineral occurrences which, on the basis of existing resource and market information, have potential for development; exploration in areas where potential land-use changes would otherwise preclude mineral developments; and basic geological mapping on a scale sufficient to improve the effectiveness and efficiency of exploration decisions.</p> |

(b) Opportunity Development

The opportunity development program provides for resolution of technological problems constraining increased use of the province's mineral and fuel resources; promotion of identified opportunities for increasing mineral and fuel production, value-added, productivity and participation by New Brunswick residents in all phases of their mineral industry; and the construction of transportation routes necessary for mineral and fuel resource development.

| FINANCIAL PROVISIONS | ESTIMATED <u>TOTAL COST</u> | PROVINCIAL <u>SHARE</u> | FEDERAL <u>SHARE (DREE)</u> |
|-------------------------------|--------------------------------|----------------------------|--------------------------------|
| Opportunity Identification | \$ 6 310 625 | \$1 262 125 | \$5 048 500 |
| Opportunity Development | <u>5 002 500</u> | <u>1 000 500</u> | <u>4 002 000</u> |
| TOTAL | \$11 313 125 | \$2 262 625 | \$9 050 500 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a management committee consisting of an equal number of representatives of each government designated by the respective federal and provincial ministers.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Highways - 1977-80 |
| DURATION | April 1, 1977 to March 31, 1980 (signed February 11, 1977) as amended February 10, 1978, November 29, 1978 and March 30, 1979 |
| OBJECTIVES | To facilitate broader community and area development through the provision of financial assistance for highway construction and to simultaneously encourage development in the resource-based industry, secondary manufacturing and service industries through greater efficiency in goods transport and improved accessibility. |
| BACKGROUND | <p>The scale and nature of the agreement have been determined primarily on the basis of the following elements:</p> <ul style="list-style-type: none">(a) GDA objectives and strategy;(b) national highway policy; and(c) comprehensive economic cost-benefit and development analyses. |
| ELEMENTS | <p>There are nine program elements under this agreement:</p> <ul style="list-style-type: none">(a) construction of the Eel River-to-Charlo section of Route 11 to complete the Campbellton-Dalhousie by-pass;(b) completion of the Belledune extension of the Bathurst by-pass;(c) reconstruction of Route 11 between Chatham and St. Margarets;(d) continuation of Route 11 relocation north of Shediac by completing the section between Buctouche and Rexton;(e) further upgrading of Route 11 around the Gloucester Peninsula;(f) upgrading of Routes 360 and 135 between Allardville and Losier Settlement to provide a good central access route for the Peninsula; |

- (g) provision for completion of work initiated and substantially completed by previous highway agreements;
- (h) upgrading appropriate sections of Routes 8 and 17 to improve general northeast access; and
- (i) provisions to allow continued in-depth planning of the highway system.

| FINANCIAL PROVISIONS | ESTIMATED TOTAL COST | PROVINCIAL SHARE | FEDERAL SHARE (DREE) |
|----------------------|-------------------------|---------------------|-------------------------|
| (a) | \$ 8 700 000 | \$ 2 175 000 | \$ 6 525 000 |
| (b) | 8 300 000 | 2 075 000 | 6 225 000 |
| (c) | 5 200 000 | 1 300 000 | 3 900 000 |
| (d) | 13 800 000 | 3 450 000 | 10 350 000 |
| (e) | 8 300 000 | 2 075 000 | 6 225 000 |
| (f) | 2 500 000 | 625 000 | 1 875 000 |
| (g) | 600 000 | 150 000 | 450 000 |
| (h) | 8 000 000 | 2 000 000 | 6 000 000 |
| (i) | <u>600 000</u> | <u>150 000</u> | <u>450 000</u> |
| TOTAL | \$56 000 000 | \$14 000 000 | \$42 000 000 |

ADMINISTRATION AND MANAGEMENT

Supervision will be carried out by a management committee consisting of an equal number of representatives of each government, designated by the respective federal and provincial ministers. Transport and Public Works will participate on the committee.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Northeast New Brunswick |
| DURATION | June 23, 1977 to March 31, 1982 as amended January 30, 1978 and February 11, 1978 |
| OBJECTIVES | To improve the long-term well-being and standard of living of residents of northeast New Brunswick (defined as Restigouche and Gloucester counties and the Parish of Alnwick in Northumberland County) through the increased application of programs which improve the utilization of human and physical resources and accelerate development. The programs will be aimed at the creation of employment, earned income and economic activity. |
| BACKGROUND | <p>Past federal-provincial development efforts in the northeast of New Brunswick found their focus in the FRED agreement (1966-76). The principal objectives of this agreement, as revised in September 1972, were the creation of the greatest possible number of productive jobs and the improvement of the employability of area residents. Despite the efforts on the part of federal and provincial governments to accelerate the development of the region, the region's economy is still lagging behind that of the rest of the province.</p> <p>The proportion of the population of labour-force age actually employed has declined in recent years and currently is less than four-fifths the provincial average. Low levels of labour-force utilization are the primary reason for earned income per capita being only two-thirds the provincial average. Also, relative to the rest of the province, the region faces strict constraints including a relatively isolated location, an industrial structure heavily weighted toward the primary industries and low-level resource processing, relatively few economic linkages within the region, and a low-density rural population which lacks a strong urban centre.</p> <p>Nevertheless, significant opportunities to accelerate the development of northeast New Brunswick do exist. Development opportunities include activities which concentrate on the identification and realization of development in</p> |

all sectors, including the primary industries, secondary manufacturing, the service sector, and the resource-processing industries.

ELEMENTS

There are six programs in this agreement:

- (a) Industrial Development Program which consists of: providing industrial support services, supporting community business development projects, encouraging industrial development initiatives, promoting industrial and commercial service development, and a program of support for small business;
- (b) Urban-Industrial Infrastructure Program which includes the provision of: industrial and municipal infrastructure including land acquisition, transportation-system development, regional and community planning;
- (c) Resource Development Program to facilitate the search and promotion of resource industry development opportunities, to assure the development of resource centers and to undertake resource management;
- (d) Human Resources Development Program to establish the Northeast Institute of Technology, to initiate special employment activities and to provide educational services;
- (e) Special Housing Program with home-improvement assistance and Participation-Habitat; and
- (f) Management and Implementation Program which coordinates the implementation, provides the planning, analysis and review of programs, and assures public information and consultation.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|------------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Industrial Development | \$24 000 000 | \$ 6 000 000 | \$18 000 000 |
| Urban-Industrial Infrastructure | 23 100 000 | 5 800 000 | 17 300 000 |
| Resource Development | 26 500 000 | 6 675 000 | 19 825 000 |
| Human Resources Development | 12 000 000 | 6 375 000 | 5 625 000 |
| Special Housing | 1 900 000 | 475 000 | 1 425 000 |
| Management and Implementation | <u>8 000 000</u> | <u>3 000 000</u> | <u>5 000 000</u> |
| TOTAL | \$95 500 000 | \$28 325 000 | \$67 175 000 |

ADMINISTRATION
AND MANAGEMENT

Supervision will be carried out by a management committee consisting of an equal number of representatives of each government, designated by the respective federal and provincial ministers. A regional implementation committee composed of one federal representative and one provincial representative will be responsible for current activities which include the supervision of each project of the agreement.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Development of Agricultural Resources |
| DURATION | April 1, 1978 to March 31, 1983 (signed March 22, 1978) |
| OBJECTIVE | To maximize the contribution of agriculture and related sectors to provincial output, earned income and employment. |
| BACKGROUND | <p>To meet these objectives, measures will be undertaken for:</p> <ul style="list-style-type: none">(a) increasing the volume and efficiency of production;(b) expanding the range of processing activities; and(c) improving the marketing of commodities for which New Brunswick can develop a competitive advantage on domestic and export markets. |

These measures will be achieved through programs aimed at the development of human resources, improved farm technology, land improvement and the provision of both on-farm and off-farm infrastructure. This will be done in the context of separate strategies set up specifically for the following commodities:

- (1) potatoes;
- (2) fruit and vegetables; and
- (3) livestock and livestock feed.

The terms of this subsidiary agreement were developed by a development committee comprised of representatives from DREE, Agriculture Canada, New Brunswick Department of Agriculture and the New Brunswick Provincial Cabinet Secretariat. The committee based the terms on the evaluation of the experience gained from the first Canada-New Brunswick agricultural subsidiary agreement and New Brunswick's two-year Agricultural Resources Study. The agreement was signed by the federal ministers of DREE and Agriculture, the Premier of New Brunswick and the New Brunswick Minister of Agriculture and Rural Development.

ELEMENTS

There are six program elements designed to carry out the various commodity strategies:

1. Human Resource Development

- (a) to provide for the development, presentation, and distribution of commodity production information; and to provide farm-management and production seminars to improve the skills of primary producers; and
- (b) to improve the performance of producer organizations and public-sector services to producers.

2. Marketing and Industry

To assist in providing the resources to identify, develop and promote commodity markets and to obtain, analyze and distribute the commodity market intelligence necessary to establish activity priorities to meet the goals of the commodity strategies.

3. Agricultural Facilities

To ensure that selected, basic off-farm capital investments which are required to meet production and marketing goals of the commodity strategies, are supplied by the private and public sectors. Assistance provided will be supplemental to all existing government programs.

4. Agricultural Resource Development

To provide assistance and financial incentives to primary producers to plan and undertake on-farm investments designed to increase gross and net farm production, earned income and employment.

5. Transfer of Technology

To develop and carry out, in cooperation with the private sector, pilot projects to test and demonstrate new crops and technologies for the production and marketing of agricultural projects in conformance with the commodity strategies, in order to increase production efficiency, improve returns, and encourage value-added activities.

6. Implementation, Evaluation and Public Information

- (a) to ensure that the minimum professional services are available to effectively implement the agreement;
- (b) to develop and carry out an agreed program of data collection and analysis for the effective management and evaluation of the agreement; and
- (c) to ensure that there is a public awareness of the program.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|------------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Human Resource Development | \$ 4 000 000 | \$ 800 000 | \$ 3 200 000 |
| Marketing and Industry Development | 4 130 000 | 826 000 | 3 304 000 |
| Agricultural Facilities | 6 440 000 | 1 288 000 | 5 152 000 |
| Agricultural Resource Development | 14 600 000 | 2 920 000 | 11 680 000 |
| Technology Transfer | 2 250 000 | 450 000 | 1 800 000 |
| Implementation | <u>3 202 500</u> | <u>640 500</u> | <u>2 562 000</u> |
| TOTAL | \$34 622 500 | \$6 924 500 | \$27 698 000 |

ADMINISTRATION AND MANAGEMENT A management committee, composed of two federal and two provincial representatives, will provide overall management of the agreement. DREE and Agriculture Canada will provide the federal representatives.

NEW BRUNSWICK

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Developing Regions |
| DURATION | May 17, 1979 to March 31, 1983 |
| OBJECTIVES | <p>To accelerate economic and socio-economic development, with special emphasis being given to urban centres with growth potential, through the application of federal-provincial programs which will improve the utilization of the respective regions' resources. The programs of this agreement will be aimed at the maintenance and creation of employment, income and economic activity.</p> |
| BACKGROUND | <p>The failure of certain regions of the province to attain their potential for economic growth has emerged as a major obstacle to efforts at overcoming regional disparities. Recognition of this fact has led to the development of the Northeast New Brunswick and Kent Region agreements. An analysis of relative economic performances of the province's regions, exclusive of the Northeast and Kent, reveals that the four regions constituting the area covered by the Developing Regions agreement have lagged behind the rest of the province.</p> <p>The performance of these regions remains below the provincial average and in particular below that of the urbanized areas of the province. Development opportunities have not been realized because of a lack of confidence on the part of private investors and lenders, inadequate municipal services, and a local tax base which is too small to generate revenues necessary to provide the services required for industrial expansion. The various projects included in the agreement will complement measures under already existing sectoral agreements.</p> <p>The four regions covered by this agreement are:</p> <p>(a) Northwest - comprised of Madawaska and Victoria counties. The predominant sectors of the region are forestry and agriculture with an expanding potential in tourism.</p> |

- (b) Miramichi - comprised of Northumberland County, exclusive of the parishes of Alnwick, Rogersville and Hardwick. The most significant areas of activity and potential here are, as is noted in the Miramichi Task Force Report, in the primary and secondary forestry and in the transportation sectors.
- (c) Grand Lake Region - comprised of Sunbury and Queens counties. Here, the Minto-Chipman area in particular has had a traditional association with coal mining. The area's recent history has seen a slow-down in the level of activity with the consequent adverse effects on area residents. However, faced with accelerating energy costs, New Brunswick coal now appears to offer increased potential as a domestic source of energy. This represents a possibility which will be pursued in the agreement.
- (d) Charlotte - comprised of Charlotte County. Agreement projects will reflect the economic pre-eminence of the fishery and tourism sectors.

ELEMENTS

The main program elements of this agreement are:

- (a) Resource and Industrial Development - This program, through project-specific initiatives, will strive to assist existing industries to realize identified opportunities and to remove constraints inhibiting the continued viability of existing operations. Projects funded under this program will correspond to specific development opportunities based on circumstances particular to a designated region which, due to program or funding limitations, may not be initiated under existing Canada-New Brunswick subsidiary agreements.
- (b) Municipal Development - In many of the communities covered by his agreement, there is an identified need for municipal services, in particular water and sewage facilities. This program is directed to the removal of development constraints imposed by a lack of municipal infrastructure in specified communities.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|---|---------------------------------|-----------------------------|--------------------------|
| Resource and Industrial Development | \$13 920 000 | \$ 2 784 000 | \$11 136 000 |
| Municipal Development | <u>12 354 000</u> | <u>3 088 500</u> | <u>9 265 500</u> |
| TOTAL | \$26 274 000 | \$ 5 872 500 | \$20 401 500 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a management committee consisting of equal numbers of representatives of each government, designated by the respective federal and provincial ministers.

QUEBEC

QUEBEC

GENERAL DEVELOPMENT AGREEMENT

The Canada-Quebec General Development Agreement (GDA) was signed on March 15, 1974, by the Minister of Regional Economic Expansion on behalf of Canada and by the Minister responsible for the Quebec Planning and Development Bureau on behalf of the province.

The general objectives of the program for the economic development of Quebec may be summarized as follows:

- (a) to improve opportunities for productive employment and to consolidate employment in the traditional sectors;
- (b) to improve the standard of living;
- (c) to reinforce industrial and urban structure and promote the optimum development of the various regions;
- (d) to promote increased participation of Quebecers in their own development; and
- (e) to promote balanced development in Quebec in relation to the various regions of Canada.

To pursue these objectives, a broad development strategy for Quebec with the following sectoral and regional priorities was agreed on:

- (a) Primary Sector - The programs proposed in this sector comprise three elements: to increase incomes through high productivity; to aim for a development of the natural resources of Quebec which maximizes their impact on the manufacturing sector; and to add additional steps to the production processes.
- (b) Manufacturing Sector - The analysis of the industrial structure of Quebec leads to the formulation of development programs centred on two fundamental facets. We must first consolidate the traditional industrial sectors of non-durable goods and resource processing. The other facet of the industrial strategy is oriented towards the accelerated transformation of the industrial structure of Quebec. The interdependent structures between industries must be changed with new links added to the chain of activities of high-growth, high-productivity industries.

- (c) Tertiary Sector - Although the tertiary sector is generally the result rather than the generator of development, we can still identify certain activities which play a promoting role in development. First we have the case of tourism, the impact of which can be felt over the entire territory. As for other activities of the tertiary sector which promote development, transportation, finance and research have been singled out for concerted action.
- (d) Regional Balance - Efforts will be made to distribute growth among the various regions of Quebec in order to achieve a better urban balance and reduce interregional disparities.

The agreement provides a general orientation for the socio-economic development of Quebec. It also permits Canada and Quebec to better coordinate their respective initiatives in the development of the province.

Summaries of currently active subsidiary agreements follow.

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Key Highway Networks |
| DURATION | September 13, 1974 to March 31, 1982 as amended March 31, 1976, June 22, 1977 and March 30, 1978 |
| OBJECTIVES | <p>In the realization of industrial, regional and urban development programs implying rapid means of communication between the various urban centres, to establish a comprehensive highway infrastructure to consolidate the key role of these centres. A further objective of the projects to be undertaken under this agreement is to promote increased movement of industrial products between the various regions of Quebec.</p> <p>More specifically, Varennes, Contrecoeur, Tracy and Sorel together represent one of the heaviest concentrations of the metallurgical and iron-and-steel industries in Quebec. Thus, development of the Tracy-Boucherville industrial corridor will be accelerated and communication links with the vast Montreal market will be greatly improved.</p> <p>The amendment signed on March 31, 1976 regarding the construction of Autoroutes 10, 51 and 55 will promote commercial, industrial and tourist activity by improving the highway links in the Sherbrooke region with the industrial towns of the Saint-François Valley and the Bois-Francs region, as well as with Trois-Rivières - Bécancour.</p> <p>Work will also have to be completed on another departmental project in the Sherbrooke region: development of a vast regional industrial park adjacent to the proposed autoroute.</p> <p>Another project consists of reconstruction work on Highway 138 linking Port-Cartier and Sept-Îles, which form the urban centre with the highest rate of economic and demographic growth in Quebec. In addition, this project will mark the continuation of our activities in this region, including the establishment of SIDBEC and Rayonnier-Québec at Port-Cartier and the numerous projects undertaken under the Special Areas agreement.</p> |

The objective of the second amendment, signed on June 22, 1977 and covering five additional highway projects, is to provide the Mauricie, the North Shore, Eastern Quebec, the Saguenay and the Northwest with highway networks that will promote the industrial development of these regions.

It is in this perspective that the following projects are being undertaken: construction of the second half of the divided highway and cloverleaves for Autoroute 40 between Berthier and Pointe-du-Lac, construction of the second half of the divided highway and cloverleaves for the Route Transquébécoise A-55 between Trois-Rivières and Shawinigan, and reconstruction of Highway 132 in the Lower St. Lawrence - Gaspé region and Highway 199 on the Magdalen Islands. Finally, two additional projects consist of reconstruction of Highway 117 from Saint-Jovite to Louvicourt through La Vérendrye Park and construction of Autoroute 70 for a distance of 32.2 miles between Saint-Bruno and La Baie.

Finally, a third amendment, signed March 30, 1978, is aimed at finishing the highway network serving Mirabel International Airport by completing Highway A-13 and continuing the construction of Highway A-50 between Dorval and Mirabel.

BACKGROUND

The territory along the south shore of the St. Lawrence between Boucherville and Tracy already boasts healthy industrial activity, based mainly on the metallurgical and iron-and-steel industries. The area already has access to excellent harbour facilities, including a vast shipyard and supplies of electricity. Moreover, it is gaining considerable ground in several other sectors such as the petrochemical industry, electricity, research and the heavy-metal industry.

There are two essential considerations in the reconstruction of Highway 138: universal accessibility to the principal services concentrated in Sept-Iles, and safety, in view of the increase in heavy traffic resulting from new industrial activities.

The existing highway network is inadequate, and risks hampering further development unless corrective measures are taken. The road improvements to be made should alleviate the situation, keep the growth rate at its present level and maximize the industrial upswing in the regions with high potential for economic development.

On the North Shore, the only links between the two major centres of Montreal and Trois-Rivières are Highway 138 and the partially completed Autoroute 40. Highway 138, which passes through all the villages bordering the river, is narrow, winding and congested by local traffic along its entire length. Even in 1972 its average daily volume of traffic was 6 300 to 8 800 vehicles. Already much of the traffic is shifting toward the corridor of Autoroute 40, which is reason for building it as soon as possible. Lastly, a large number of vehicles use Autoroute 20 on the south shore of the St. Lawrence rather than take a chance on Highway 138, thereby contributing to the congestion on the bridges of the south shore of Montreal and Autoroute 20 itself. The objectives of this project are to link the regional capitals by means of an efficient, safe and rapid highway; to promote development of existing industrial centres and promote the establishment of new industry; to facilitate through traffic and reduce pressure on the roads running parallel to the river (Autoroute 20 and Highway 138); and to extend the present level of service of the Lavolette Bridge and of the bridges leading to the south shore of Montreal. DREE has already recognized the industrial vocation of Trois-Rivières and its important role as a regional capital by contributing, under the Canada-Quebec Special Areas Agreement, to the establishment of major industrial and highway infrastructure. DREE has also participated financially in the construction of the Trois-Rivières/Pointe-du-Lac section.

The only existing rapid highway link between Trois-Rivières and Shawinigan is the first lane of Autoroute 55, which has been in operation for several years. By 1975, an average of almost 5 500 vehicles per day were using this road, and an increase of 23% was registered during the first eight months of 1976. If the second half of the divided highway and cloverleaves are built, within six or seven years this autoroute will bear an average annual daily traffic of almost 10 000 vehicles on the section between Trois-Rivières and Shawinigan, and almost 14 000 on the section between Shawinigan and Grand-Mère, which is already under construction. The objectives of this project are to increase capacity and safety by constructing another lane, making the road a divided highway and constructing cloverleaves, to promote the industrial development of Trois-Rivières and Shawinigan by linking the various poles of the urban agglomeration by means of a modern highway forming an integral part of the Route Transquébécoise, to promote improved

accessibility to the various urban centres spread out in a line and to facilitate through traffic and accessibility to tourist areas (for example, Mauricie National Park).

Highway transport forms the backbone of the regional economy of the Lower St. Lawrence - Gaspé area, in terms of both tourism and primary industry. The principal highway network consists of a major peripheral road (Highway 132), a number of crossroads at the eastern and western ends and a regional road cutting across the middle of the peninsula. The fact that this link is peripheral and is the only one on a large part of the peninsula means that this road is extremely vulnerable to poor weather conditions and that a continual watch must be kept on its condition. Highway 132 (around the Gaspé) is 533 miles long. Since 1968, 268 miles have been improved, 114 of which were financed under the FRED agreement at a cost of \$54.6 million. The section of Highway 132 between Cacouna and Sainte-Flavie is 74 miles long, 24 of which have been reconstructed. The upgrading program for this road calls for the reconstruction of 37.3 miles at a cost of \$10 million. Highway 199, in the Magdalen Islands, is 60 miles long. Twenty miles have already been improved and the planned upgrading of the last 23 miles is estimated at \$8 million. The objectives of this project are to reduce the costs of access to markets; to stimulate tourism and ensure a higher level of service; to promote communication between the various centres spread out in a line along the peninsula; and to promote exchanges with the other regions of the province. In addition to achieving the aims stated above, the upgrading of Highway 132 will constitute an important adjunct to the investments already made under the FRED agreement, as it will bring in a return on sums invested in the development of the Rimouski, Mont-Joli, Rivière-du-Loup and Matane municipal industrial parks, the development of the Rivière-au-Renard, Paspébiac and Grande-Rivière fishing industrial parks and the harbour infrastructure of the Matane rail ferry.

The present Highway 117 (old Highways 11 and 58) is the principal highway link in this vast territory. This highway is inadequate to carry the some 8 000 vehicles that were seen on an average summer day in 1976 north of Saint-Jovite. This volume, 13% of which consists of heavy vehicles, has increased by 5% in each of the last three years. The traffic flow of 25 000 vehicles

established for an average summer weekend in 1976 (total for 48 hours) illustrates the leisure use to which this road is now being put. A study of existing operating conditions on this road shows that, because of numerous substandard curves and steep grades, passing visibility is extremely low and the average basic speed is far below the legal limit. Drainage, foundations and paving are in poor condition, and the width of the roadway and the shoulders as well as the grades leading to the ditches fail to meet modern standards. In a number of cases there are obstacles less than 30 feet from the roadway. Since the Laurentian Autoroute 15 has been extended to Sainte-Agathe, and Highway 117 between Sainte-Agathe and Saint-Jovite has recently been reconstructed into a four-lane divided highway, and since the regular development budget of the Quebec Department of Transport would not allow improvement of the highway infrastructure under consideration here to be contemplated for a number of years, there would soon be a severe congestion of the existing highway which is already in poor condition, and this would result in a slowdown in the development of this high-potential region. The objectives of this project are to promote tourist development in the region by advancing the reconstruction of its main highway over a number of years, to facilitate access to the exploitation of the region's natural resources (forest, mineral and so on), to consolidate the region's links with the Montreal area and to consolidate the principal highway network and further extend it toward the northwest where the urban centres of Val-d'Or and Rouyn-Noranda constitute an important industrial development area. In addition to achieving the major aims stated above, the reconstruction of Highway 117 will also make it possible to establish a complete highway link serving the James Bay hydro-electric complex, since there is now a modern road linking Matagami to LG 2. In addition, DREE has actively participated in tourist, agricultural, forestry, mining and industrial development in Abitibi through a number of agreements concluded with Quebec. The financial participation of DREE in the reconstruction of Highway 117 forms part of an integrated effort for economic development in this region.

South of the Saguenay River, there are three roads serving the area between Alma and La Baie:

Highway 169 between Alma and Saint-Bruno, Highway 170 between Saint-Bruno and La Baie and Highway 372 between Jonqui re and La Baie by way of Chicoutimi. These roads pass through urban or semi-urban areas, an example being Highway 170 in La Baie, Jonqui re and Arvida. Traffic volume is relatively large: the average daily traffic on these roads is 4 500 vehicles near La Baie and Alma and over 12 000 between Chicoutimi and Jonqui re.

If current trends persist, projections indicate that traffic volumes will increase appreciably by 1986 (because of major industrial developments and the growth of urban centres). The present highway network would not then be adequate to meet these needs. The Quebec Department of Transport has put forward two possible solutions to this problem: improving the existing highway network or building an autoroute between Alma and La Baie. Following an analysis, building an autoroute was recommended because, although improving the existing network might provide a short-term answer, the department points out that, in the medium- and long-term, building an autoroute would better meet needs in terms of capacity and safety and would, moreover, promote development of the region. The objectives of this project are, therefore, to improve traffic in terms of capacity and safety and to contribute to both the economic and urban development of the region. In addition to achieving the aims stated above, the construction of Autoroute 70 will constitute a necessary complement to other departmental projects in the Saguenay - Lac Saint-Jean region, including the development of a regional park adjacent to the proposed autoroute. This industrial park is being developed under the subsidiary agreement on industrial infrastructure.

Finally, the work planned in the framework of the third amendment will make it possible to establish a direct link between Dorval, the west of the Island of Montreal and Laval, and Mirabel International Airport. The completion of route A-13 will encourage the industrial and commercial development of this region and especially of the Mirabel airport park (PICA) created by a Canada-Quebec agreement in 1976.

These projects have been developed in consultation with a number of federal departments, in particular Finance and Transport, as well as with

various provincial departments. They have been ratified by DREE and the Minister responsible for the Quebec Planning and Development Bureau.

ELEMENTS

The first project involves the construction of a divided highway with two lanes in each direction from Boulevard Grande Rivière in Tracy to Montée Sainte-Julie (29 miles), and construction of two additional lanes from Montée Sainte-Julie to the Trans-Canada Highway (3 miles). This project covers a distance of 32 miles of new highway and the work includes roadway structures, drainage system, signs, lighting and displacement of public utilities.

The two projects covered by the first amendment are the construction of Autoroute 10 for a distance of 12 miles between Omerville and Sherbrooke and of Autoroutes 51 and 55 for a distance of 22 miles between Sherbrooke and Drummondville, and the reconstruction of Highway 138 (15) for a distance of 37 miles between Port-Cartier and Sept-Iles, including entry into Sept-Iles as far as the Poste River west of the town.

Under the second amendment to the agreement, the following five projects are being undertaken: construction of the second half of the divided highway of Autoroute 40 for 22.4 miles, four cloverleafs, eleven bridges and viaducts and a highway rest stop, thereby completing Autoroute 40 from Montreal to Trois-Rivières; construction of the second half of the divided highway between Trois-Rivières and Shawinigan (19.2 miles), seven cloverleafs, two grade-separation bridges and one viaduct above the railway line at Shawinigan; reconstruction of Highway 132 between Cacouna and Sainte-Flavie and around the Gaspé, and reconstruction of Highway 199 in the Magdalen Islands; reconstruction of Highway 117 between Saint-Jovite and Louvicourt, consisting of a four-lane highway from south of Saint-Jovite to north of Labelle (24 miles) and a two-lane highway to Louvicourt (206 miles); and, finally, construction of a divided highway with two lanes in each direction between Alma and La Baie (32.2 miles), including construction of six cloverleafs and two river crossings.

Finally, the third amendment involves the construction of 21.5 kilometres of highway and 19 interchanges.

FINANCIAL PROVISIONS

The following is a list of projects that will be undertaken under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Autoroute 30 from Boucherville to Tracy | \$ 49 000 000 | \$ 19 600 000 | \$ 29 400 000 |
| Route 138 between Sept- Iles and Port-Cartier | 24 175 000 | 9 670 000 | 14 505 000 |
| Autoroute 10, 51 and 55 Sherbrooke/Drummondville | 59 500 000 | 23 800 000 | 35 700 000 |
| Autoroute 40 between Berthier and Pointe- du-Lac | 32 000 000 | 12 800 000 | 19 200 000 |
| Autoroute 55 between Trois-Rivières and Shawinigan | 22 600 000 | 9 000 000 | 13 600 000 |
| Highways 132 and 199 - Gaspé and Magdalen Islands | 148 000 000 | 123 000 000 | 25 000 000 |
| Reconstruction of Highway 117 from Saint-Jovite to Louvicourt | 36 000 000 | 14 400 000 | 21 600 000 |
| Autoroute 70 between Alma and La Baie | 26 000 000 | 10 400 000 | 15 600 000 |
| Rapid Highway Link Montreal - Mirabel (A-13 and A-50) | <u>50 000 000</u> | <u>20 000 000</u> | <u>30 000 000</u> |
| TOTAL | \$447 275 000 | \$242 670 000 | \$204 605 000 |
| Reserve | <u>1 500 000</u> | <u>600 000</u> | <u>900 000</u> |
| GRAND TOTAL | \$448 775 000 | \$243 270 000 | \$205 505 000 |

ADMINISTRATION AND MANAGEMENT

Supervision will be ensured by a development committee established under the General Development Agreement. A management committee, comprising an equal number of representatives of Canada and of Quebec appointed by their respective federal and provincial ministers, will be set up to supervise the implementation of the agreement and to handle routine administration. Quebec will be represented on this committee by one representative from the Quebec Planning and Development Bureau and one representative from the Department of Transport. The federal government will be represented by one representative from DREE and one representative from Transport Canada.

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Forest development |
| DURATION | March 26, 1975 to March 31, 1984, as amended December 9, 1976, June 22, 1977 and May 15, 1979. |
| OBJECTIVES | To promote the development of Quebec's timber resources through the construction or improvement of forest access roads; to maximize output per acre of woodland through intensive forest management; to rationalize timber allotment and to ensure improved utilization of available timber; and to improve the competitive position of all parts of the forestry sector. |
| BACKGROUND | <p>The forest, one of the few renewable natural resources, is a major element of Quebec's economy. However, a shortage of timber is expected by the 1990s, and a study by the Quebec Department of Lands and Forests on the state of the pulp and paper industry indicates that half of the comparative disadvantage at which the province finds itself in its competition with the southern United States is accounted for by the higher cost of timber in Quebec. In 1977, the difference in the cost of producing a ton of newsprint was estimated at \$25.00.</p> <p>This difference is generally the result of low-resource yield and a slower rate of growth in Quebec forests due to harsh climatic conditions and the almost complete absence of any forest management. These factors mean that a larger area must be logged off to produce an equivalent quantity of timber. Consequently, considerably longer access roads are needed; this entails greater transportation costs and longer distances from the labour supply. In addition to being far away from the mills, sources of wood are often widely separated, thereby increasing the cost of delivered timber. Distribution of timber and sawmill by-products (chips, sawdust and shavings) presents the major problem in the allocation of resources among the various users or processors.</p> |

Finally, the cost of delivering timber which the industry buys either from private forests or as sawmill waste is much higher than that of our competitors, mainly because of the distances it must travel.

In certain regions of the province, the shortage of timber is holding back industrial development or is preventing the establishment of new businesses. In other regions, businesses are surviving only by importing large quantities of timber from the United States.

Consequently, Quebec must adopt a policy to develop the provincial forests, particularly commercial and private ones. An intense program of applied research in the techniques of reforestation will hasten attainment of the objectives.

This subsidiary agreement was prepared in consultation with a number of federal departments, including the departments of Fisheries and the Environment (Forestry) and Industry, Trade and Commerce, as well as various provincial departments. The agreement was signed by the Minister of DREE and the Minister responsible for the Quebec Planning and Development Bureau.

ELEMENTS

Part I Forest access roads

Construction of access roads to the Crown forest of the Saguenay/Lac-Saint-Jean area, in eastern Quebec, in the Quebec City area, in the Trois-Rivières region, in the Abitibi/Témiscamingue area and on the North Shore. Construction of logging roads in concessions subject to renewal in eastern Quebec, in the Saguenay/Lac-Saint-Jean area, in the Quebec City, Trois-Rivières, Montreal and Outaouais regions, in northwestern Quebec and on the North Shore.

Part II - Sylviculture and reforestation

The aspect of the agreement concerning sylviculture covers forestry work, public forests and aid to private forest production.

The reforestation aspect covers seed production and the various activities connected with the development of tree nurseries.

Part III - Studies

The agreement allocates funds for studies of the development of efficient timber allocation.

| FINANCIAL PROVISIONS | ESTIMATED <u>TOTAL COST</u> | PROVINCIAL <u>SHARE</u> | FEDERAL <u>SHARE (DREE)</u> |
|--|--------------------------------|----------------------------|--------------------------------|
| Part I - <u>Access roads</u> | | | |
| Crown forests | \$120 060 000 | \$ 48 024 000 | \$ 72 036 000 |
| Reserve | 13 140 000 | 5 256 000 | 7 884 000 |
| Concessions subject to renewal | 32 174 000 | 12 869 000 | 19 305 000 |
| Reserve | 4 826 000 | 1 931 000 | 2 895 000 |
| Part II - <u>Sylviculture and reforestation</u> | 137 635 000 | 55 054 000 | 82 581 000 |
| Reserve | 11 498 000 | 4 599 000 | 6 899 000 |
| Part III - <u>Studies</u> | <u>3 000 000</u> | <u>1 200 000</u> | <u>1 800 000</u> |
| GRAND TOTAL | \$322 333 000 | \$128 933 000 | \$193 400 000 |

ADMINISTRATION Supervision will be effected by a development committee set up under the terms of the General Development Agreement. A management committee consisting of an equal number of federal and provincial representatives, appointed by the federal and Quebec ministers, has been set up to supervise the agreement's implementation and to look after its routine management. The federal Department of Fisheries and the Environment (Forestry) is represented on this committee.

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Industrial Infrastructure |
| DURATION | March 26, 1975 to March 31, 1983 as amended December 9, 1976 and January 24, 1978 |
| OBJECTIVES | To promote more balanced industrial development throughout Quebec by providing community facilities and services required to encourage and facilitate the establishment of new enterprises in various regions of the province. |
| BACKGROUND | <p>The development of the manufacturing sector in Quebec is dependent on the reinforcement of a network of infrastructure to encourage industry in various urban centres which will not necessarily be in a position to finance the growth or establishment of new industrial parks. To avoid too wide a diffusion of the thrust towards development in Quebec, and taking careful note of current trends in the province, the effort will be concentrated on a limited number of urban service centres. Those urban centres in Quebec which are already recognizable as growth poles must have large industrial parks so that, by their natural power of attraction, they will be able to draw enterprises which will reach beyond the purely local market. In this way, the role of these centres will be strengthened so that they can reach a level of development at which they can independently consolidate and accelerate economic development.</p> <p>The installation of infrastructure necessary for the fish-processing industry in the Lower St. Lawrence, the Gaspé, Magdalen Islands and North Shore areas, will be facilitated, in that it enables the development of the fishery industrial parks to be completed.</p> <p>Finally, when an important industrial project wishes to establish in any region of Quebec, and if that project cannot move into one of the existing industrial parks, financial assistance may be provided to supply it with municipal services. The proposed action should ensure that a certain number of centres reach a level of development sufficient to bring about an inde-</p> |

pendent growth pattern. These initiatives will thereby contribute to improved opportunities for productive employment through the reinforcement of the industrial and urban structure of Quebec, and promote the optimum development of the various regions.

This agreement was developed in consultation with several federal departments, more particularly with the departments of Fisheries and the Environment; and Finance, as well as with various provincial departments. It was signed by the Minister of DREE and the Minister responsible for the Quebec Planning and Development Bureau.

ELEMENTS

Financial assistance under this program will facilitate the provision of infrastructure required by industry throughout Quebec. The program has three elements:

- (a) creation or expansion of industrial parks in a specific number of urban centres of the province; (Haut-Saguenay, Saint-Romuald, Valleyfield, Rimouski, Rivière-du-Loup, Rouyn, Sherbrooke, Alma, Drummondville, Sept-Iles, Noranda, Trois-Rivières, Victoriaville, Val-d'Or, Matane, Saint-Georges-de-Beauce, Saint-Hyacinthe, Joliette, Montmagny, Outaouais, Delson, Saint-Augustin, Saint-Jérôme, Baie-Comeau/Hauterive, Sorel, Bernières, Saint-Jean, Granby, Shawinigan/ Grand-Mère, Longueuil, Varennes, Montreal);
- (b) establishment and development of several well-equipped fishery industrial parks in the Gaspé and Magdalen Islands areas and fishery infrastructure in the North Shore area (Paspébiac, Cap-aux-Meules, Rivière-au-Renard, Grande-Rivière, Côte-Nord, Gascons, Millerand); and
- (c) the provision of essential infrastructure projects in municipalities which are financially incapable of meeting the industrial requirements of specific industries (Sacré-Coeur, Saint-Honoré, Les Méchins, La Tuque, Chute-aux-Outardes, La Baie, Magog, Amos).

| FINANCIAL PROVISIONS | ESTIMATED TOTAL COST | PROVINCIAL SHARE | FEDERAL SHARE (DREE) |
|--------------------------------|----------------------------|---------------------------|---------------------------|
| Industrial Parks Reserve | \$ 72 077 000 4 453 000 | \$28 831 000 1 781 000 | \$43 246 000 2 672 000 |
| Fishery Parks Reserve | 20 028 000 2 372 000 | 8 011 000 949 000 | 12 017 000 1 423 000 |
| Punctual Interventions Reserve | 4 742 000 33 998 000 | 1 897 000 13 599 000 | 2 845 000 20 399 000 |
| TOTAL | \$137 670 000 | \$55 068 000 | \$82 602 000 |

ADMINISTRATION AND MANAGEMENT A development committee established under the authority of the General Development Agreement will provide supervision. A management committee, consisting of an equal number of representatives of Canada and Quebec appointed by the federal and provincial ministers, will be established to supervise the implementation of this agreement and provide routine management.

Fisheries and the Environment has been invited to participate in the supervision of the development of fishery industrial parks.

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Agricultural Development |
| DURATION | March 29, 1976 to March 31, 1982 as amended June 22, 1977 |
| OBJECTIVES | The objective of this agreement is to implement an integrated land reclamation program on the Montreal Plain and to pursue the land-use adjustment program in Eastern Quebec, Saguenay - Lac-Saint-Jean - Chibougamau and Abitibi - Témiscamingue, and to gradually apply it as needed to the other regions of Quebec outside the Montreal Plain. |
| BACKGROUND | <p>From 1963 to 1975, net farm incomes increased by only 16% (constant dollars) in Quebec, compared with 34% in Ontario and 29% for the whole of Canada. At the same time, the population has constantly increased, necessitating an increase in food production. The amount of farmland, both cleared and under cultivation, has dropped dramatically in the past 10 years, and this has resulted in a considerable falling-off of agricultural production in Quebec.</p> <p>Over the past 20 years, the province has thus become increasingly less self-sufficient, principally in meat, beef and potatoes, so that it must depend on imports to meet a large part of its food requirements.</p> <p>More than a third of Quebec's 6 million acres of farmland is on the Montreal Plain, an area of consistently high-quality soils lying within Quebec's most favourable climate zone. The Montreal Plain represents the main area of consumption in Quebec, a fact which should normally favour industrialization of the farming sector.</p> <p>However, the fairly uniform level of the land and high water table constitute major constraints: the excess water remaining in the soil in spring and during heavy rains interferes with sowing and harvesting and results in poor harvests.</p> <p>The integrated land reclamation program on the Montreal Plain will allow a significant improve-</p> |

ment in productivity and the diversification of products, thereby favouring the establishment of food-processing plants.

For some years now, the nature of farming has been changing both on the Montreal Plain and in other regions of Quebec. From a labour-intensive operation, it has become a capital-intensive one, because decreasing profit margins and labour shortages have led to farm consolidation and greater mechanization. In regions of lower capability than the Montreal Plain, however, farmers take longer to adjust to these new conditions, so that there is a certain amount of catching up to be done.

Land-use adjustments have become necessary to consolidate good farmland and to remove low-capability cleared land from agriculture.

The land-use adjustment program consists of a series of closely interrelated measures designed both to remove low-capacity land from agriculture and to consolidate and improve good agricultural land.

ELEMENTS

This subsidiary agreement will finance a land reclamation program and a land-use adjustment program covering the following interventions:

- (a) municipal watercourse engineering aimed at controlling the drainage of excess water while conserving water for irrigation;
- (b) optimum development of organic soils based on soil analysis and a master development plan;
- (c) reclamation of the alluvial lands around Lac Saint-Pierre, subject to annual flooding, with a view to reclaiming and protecting an area of about 30 000 acres;
- (d) underground drainage aimed at providing, together with surface drainage, the protection required to introduce or extend intensive crops under the climatic conditions peculiar to the Montreal Plain; and
- (e) land-use adjustment in the various regions of Quebec outside the Montreal Plain.

FINANCIAL
PROVISIONS

The following is a list of projects that will
be undertaken under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| <u>Land-Use Adjustment</u> | | | |
| 01* - Eastern Quebec | \$ 3 950 000 | \$ 1 580 000 | \$ 2 370 000 |
| 09 - Northwest Quebec | 3 950 000 | 1 580 000 | 2 370 000 |
| 12 - Saguenay - Lac-Saint-Jean | 3 950 000 | 1 580 000 | 2 370 000 |
| 02 - Quebec City | 853 000 | 341 000 | 512 000 |
| 03 - Beauce | 1 100 000 | 440 000 | 660 000 |
| 08 - Outaouais | 1 045 000 | 418 000 | 627 000 |
| 05 - Eastern Townships | 1 012 000 | 405 000 | 607 000 |
| 11 - Trois-Rivières | 437 000 | 175 000 | 262 000 |
| 10 - L'Assomption | 407 000 | 163 000 | 244 000 |
| 04 - Nicolet | <u>466 000</u> | <u>186 000</u> | <u>280 000</u> |
| SUB-TOTAL | \$ 17 170 000 | \$ 6 868 000 | \$10 302 000 |
| *Quebec Department of Agriculture's agricultural regions | | | |
| <u>Land Reclamation</u> | | | |
| Municipal Watercourses | | | |
| - Montreal Plain | \$ 21 721 000 | \$ 8 688 000 | \$13 033 000 |
| Underground Drainage | | | |
| - Montreal Plain | 49 130 000 | 19 652 000 | 29 478 000 |
| Superficial Drainage | | | |
| - Mirabel | 495 000 | 198 000 | 297 000 |
| Municipal Watercourses | | | |
| - Eastern Quebec | 3 750 000 | 1 500 000 | 2 250 000 |
| Underground Drainage | | | |
| - Eastern Quebec | 1 000 000 | 400 000 | 600 000 |
| Municipal Watercourses | | | |
| - Northwest Quebec | 1 250 000 | 500 000 | 750 000 |
| Municipal Watercourses | | | |
| - Saguenay - Lac- Saint-Jean | 3 750 000 | 1 500 000 | 2 250 000 |
| Underground Drainage | | | |
| - Saguenay - Lac- Saint-Jean | <u>5 000 000</u> | <u>2 000 000</u> | <u>3 000 000</u> |
| SUB-TOTAL | \$ 86 096 000 | \$34 438 000 | \$51 658 000 |
| GRAND TOTAL | \$103 266 000 | \$41 306 000 | \$61 960 000 |

ADMINISTRATION
AND MANAGEMENT

Supervision will be ensured by a development committee established under the General Development Agreement. A management committee, comprising an equal number of representatives of Canada and of Quebec appointed by the federal and provincial ministers, will be set up to supervise the implementation of the agreement and to handle routine administration. The Canada Department of Agriculture will participate in the routine administration of the projects under this agreement through its representative on the management committee.

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Mineral Development |
| DURATION | March 29, 1976 to March 31, 1980 as amended March 25, 1977 and March 15, 1978 |
| OBJECTIVES | <p>The purpose of this agreement is to assist Quebec in carrying out activities to encourage mineral development in Quebec. The intention is to favour the exploitation and use of Quebec's natural resources for the benefit of the population by financing an integrated program to promote mineral and petroleum exploitation, access to resources, mineral research and the rational exploitation of resources.</p> |
| BACKGROUND | <p>Despite the considerable potential of Quebec's sub-soil, the distribution of exploitable mineral resources is very uneven from one region to another.</p> <p>The level of production has affected the economic development of the various regions. In the North Shore region, for example, the doubling of iron production between 1960 and 1973 made rapid growth possible. In contrast, Quebec's Northwest, where the mining economy relies mainly on primary constituents and precious metals, has had rather slower growth. Declining production and the closing of mines have had a strongly adverse effect on this region. To a lesser degree, the economy of the Gaspé also is based in large part on the mining industry. Lastly, the Eastern Townships suffer from a lack of diversification in the mining industry. In terms of real growth, the value of production has increased at an annual rate of only 4.4% during the last 13 years.</p> <p>The search for and utilization of mineral deposits are affected by a number of factors ranging from purely scientific considerations to economic constraints which affect the growth of the mining sector in Quebec to varying degrees.</p> <p>Private industry invests between \$10 and \$15 million annually in mineral exploration in Quebec.</p> |

Investments in the order of \$25 to \$30 million, or 6% of metallic mineral production, are needed in order to ensure an annual rate of increase of approximately 7.5% to 8% in Quebec's metallic mineral production.

The processing industry is weak in relation to mineral production and is not sufficiently diversified.

Working low-density and complex ore deposits present many problems in mining and refining. In order to ensure the growth of the mining industry in Quebec, the utilization of these known but not yet exploited resources must be encouraged by finding solutions to the technical and technological problems which prevent their development and processing. This should be done through the development of research units and research centres specializing in the field of mineral resources and metals.

Hydrocarbons account for a major part of Quebec's energy bill. All oil and gas used in Quebec is imported. It is important, therefore, that governments further encourage the oil companies in their exploration of the main sedimentary basins of Quebec.

ELEMENTS

(a) Access to Mineral Resources

This agreement will enable the construction of access roads to the most promising geological areas in order to maximize the exploration efforts of private industry.

(b) Geoscientific Studies and Oil Exploration

These projects, financed by the agreement, will permit an intensifying of existing geological knowledge through the use of up-to-date geoscientific methods such as aerial geophysics, geochemistry and drillhole geophysics.

The geoscientific program on hydrocarbons aims at the following: increasing knowledge in this field through geological, geophysical and geochemical projects; stimulating exploration for oil and gas; and locating the most favourable sites for the underground storage of petroleum products.

(c) Industrial Research and Development Projects

The research and development program will centre on the development of procedures for the mining and processing of complex ores of which it is impossible at present to produce forms concentrated enough to meet the current specifications of processing plants.

FINANCIAL
PROVISIONS

Under the terms of the agreement the province shall carry out the following:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Access to Mineral Resources | | | |
| - permanent roads | \$ 4 985 000 | \$ 1 994 000 | \$ 2 991 000 |
| - mining access roads | 7 476 000 | 2 990 000 | 4 486 000 |
| Geoscientific Mineral Studies | | | |
| - geological surveys | 1 135 000 | 454 000 | 681 000 |
| - geoscientific surveys | 2 085 000 | 834 000 | 1 251 000 |
| - geochemical surveys | 900 000 | 360 000 | 540 000 |
| - other surveys | 1 990 000 | 796 000 | 1 194 000 |
| Geoscientific Petroleum Studies | 1 455 000 | 582 000 | 873 000 |
| Valorization and Development | 8 360 000 | 3 344 000 | 5 016 000 |
| Reserve Capital | <u>64 000</u> | <u>26 000</u> | <u>38 000</u> |
| TOTAL AVAILABLE | \$28 450 000 | \$11 380 000 | \$17 070 000 |
| Repayments Made by Quebec | <u>150 000</u> | | |
| INITIAL TOTAL | \$28 600 000 | | |

ADMINISTRATION
AND MANAGEMENT

A development committee set up according to the General Development Agreement is entrusted with supervision. A management committee, composed of an equal number of representatives from Canada and Quebec appointed by the federal and provincial ministers, will be established to supervise the implementation of the agreement and to provide routine administration. Energy, Mines and Resources will participate in the routine administration of these projects through its representative on the management committee.

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Establishment of a Bleached Kraft Pulp Mill at Saint-Félicien |
| DURATION | April 21, 1976 to March 31, 1980 as amended March 10, 1978 and September 20, 1978 |
| OBJECTIVES | The purpose of this agreement is to enable Quebec to create an integrated forestry complex at Saint-Félicien, County of Roberval, by contributing to the financing of a bleached kraft pulp mill and the sawmills which will supply it. |
| BACKGROUND | <p>The pulp and paper industry is one of the oldest and most important in the economic structure of Canada and Quebec.</p> <p>For Canada, the growth of the industry which processes its immense wealth of forest resources began to accelerate after the complete removal of American tariffs on newsprint in 1913.</p> <p>Since that time the industry has continued to grow and diversify, spurred on by market demand, the accessibility of forest resources and technological developments in the fields of both pulp and paper. Today, in a world market that stands at 175 million tons per year, Canada is the second largest producer with an output of 15 million tons of paper and 7 million tons of pulp. The economic impact of the industry in Canada is, however, much greater than the figures indicate because of the large percentage of production which is exported.</p> <p>In addition to the strategic value of pulp and paper in the balance of trade (10% of Canada's total exports), the industry plays a primary role in regional development. The mills and the forestry operations that supply them are often the only viable economic activities in vast areas of Canada's territory and in the towns and villages which they have created.</p> <p>Quebec, the birthplace of Canada's pulp and paper industry, is still the country's largest producer. In 1974 Quebec produced 45% of the newsprint made in Canada, but only 12% of the pulp.</p> |

Quebec's pulp and paper industry provides employment for some 79 000 people in the factories and forests, or about 11% of total employment in the primary and secondary sectors. It cannot be denied that a competitive, modern and dynamic pulp and paper industry is essential for the economic health of Quebec as a whole and of all the remote regions in particular.

Since 1968, however, Canada has witnessed a general downturn in the industry and such a low rate of return that new investments have not generally been justified despite the predicted growth of world demand. Quebec suffers more from this situation than do the other producing regions, its share of Canadian investments having dropped from 37% in 1968-69 to 16.5% in 1970-72.

For approximately the last 15 years the Government of Quebec has been trying to coordinate all the factors which, in the otherwise disadvantaged region of Roberval - Chibougamau - Saint-Félicien, could allow the best use of the Crown forest which is one of the last great reserves of wood capable of supporting an integrated forestry complex of optimum size.

This agreement not only meets one specific objective in the forestry sector but at the same time satisfies all the general objectives of the General Development Agreement.

The establishment of Donohue St-Félicien will also provide the means for the optimum utilization of the forestry resources of this vast region. Forestry operations will be conducted according to a development plan which will make use of both the more accessible woodlands in the southern region and the northern forests on Crown land. The three sawmills will be supplied with tree-length logs which will, depending on quality, be made either into lumber or into chips which would then go, along with the refuse, to supply the pulp mill.

ELEMENTS

The specific purpose of this agreement is to enable Donohue St-Félicien Inc. to build a bleached kraft pulp mill with an annual capacity of 262 000 tons and to modernize the sawmills belonging to it. After modernization it is expected that the annual production of the sawmills will be 135 million board feet and 548 000 tons of chips.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|-------------------------|---------------------------------|-----------------------------|---------------------------------|
| | \$50 000 000 | \$20 000 000 | \$30 000 000 |

The total costs of building the complex will be \$298 million, to be covered by financing from industry, the agreement fund and provincial agencies.

| | |
|----------------------------------|---|
| ADMINISTRATION AND MANAGEMENT | A development committee, set up according to the General Development Agreement, is entrusted with supervision. A management committee, composed of an equal number of representatives from Canada and Quebec appointed by the federal and provincial ministers, will be established to supervise the implementation of the agreement and to provide routine administration. |
|----------------------------------|---|

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Airport Industrial and Commercial Park (PICA) |
| DURATION | June 18, 1976 to March 31, 1980 as amended November 25, 1977 |
| OBJECTIVES | <p>The agreement is aimed at increasing industrial development through the establishment of an industrial airport complex integrating the whole range of activities of a modern airport and the various means of transportation converging on it.</p> <p>The financial assistance to the Société du parc industriel et commercial aéroportuaire de Mirabel is to help set up the infrastructure necessary for developing the industrial and commercial airport park and for carrying out industrial projects.</p> |
| BACKGROUND | <p>The achievement of the general objectives stated in the General Development Agreement will receive an additional impetus through this agreement, which is a logical extension of the Quebec government's efforts to create and consolidate industrial boards and rationalize and develop modern industrial parks.</p> <p>This Canada-Quebec subsidiary agreement on the financing of the Société's capital assets is designed to extend the subsidiary agreement on industrial infrastructure. This agreement differs from the previous one in its two composing facets: first, the intended international character of the activities carried on by the new industries, and second, the corporate mechanism used to implement and administer the future industrial and commercial airport park.</p> <p>The construction of a new international airport at Mirabel is in keeping with thorough modification of the entire infrastructure in the neighbouring region. The size and the nature of the investments involved are helping to promote the establishment and development of many commercial and industrial businesses in this part of the Montreal region.</p> |

The area north of Montreal is already equipped with host structures that could accommodate many of these businesses. If, however, the area is to derive maximum benefit from the industrial potential generated by the location of the airport and the related infrastructure, and comply with the objectives of the General Development Agreement under which efforts to develop industry in the Montreal region are to meet qualitative rather than quantitative criteria, the region must be equipped with additional infrastructure capable of attracting high-growth, high-productivity activities to Mirabel.

The airport park will encourage not only the creation of new jobs but also the establishment of high-growth industries, namely those most likely to strengthen or modify Quebec's industrial structure.

In addition, the setting up of an intermodal TDM centre, which is currently under study and includes transfer, distribution and manufacturing activities to be integrated with Mirabel Airport, could make Montreal the hub of air transport for eastern North America.

Quebec undertakes to subscribe for 60% and Canada for 40% of the Société's common shares.

The Société's board of directors will be made up of seven members who will be the directors of the Société as defined in the Companies Act.

ELEMENTS

(a) Waste Water Evacuation

As the park's supply system is nearly completed, it is important to make sure that the sewage system is ready before the park begins operations. Essentially this means building sewers that will connect with the Saint-Canut purification plant.

(b) Physical Development

This heading covers all work involved in building roads and sidewalks, as well as lighting and paving each of the blocks designed to accommodate prospective industries.

(c) Downtown Mirabel

Included under this heading are all the infrastructure work, that is, work on the water-supply and sewage-disposal systems planned for downtown Mirabel, which will have an important role as a complement to PICA itself.

(d) Administration

Forecast expenditures in this category cover two aspects: first, putting SPICAM, the company that is to look after development and management of the park, into operation; and second, concluding the work of setting up the transfer and distribution facilities that complement the park's manufacturing function.

FINANCIAL
PROVISIONS

The following is a list of projects that will be undertaken under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Waste-Water Evacuation System | \$ 3 634 000* | \$1 454 000 | \$2 180 000 |
| Physical Development | 6 634 000* | 2 653 000 | 3 981 000 |
| Mirabel Infrastruc- ture (Downtown) | 550 000* | 220 000 | 330 000 |
| Administration | 1 560 000 | 624 000 | 936 000 |
| Reserve | <u>914 000</u> | <u>366 000</u> | <u>548 000</u> |
| TOTAL | \$13 292 000 | \$5 317 000 | \$7 975 000 |

*Including 10% of indirect costs.

ADMINISTRATION
AND MANAGEMENT

Supervision will be ensured by a development committee established under the General Development Agreement. A management committee, comprising an equal number of representatives of Canada and of Quebec nominated by federal and provincial ministers will be set up to supervise the implementation of the agreement and to handle routine administration.

QUEBEC

SUBSIDIARY AGREEMENT

TITLE Water Treatment Facilities for the Montreal Area

DURATION March 30, 1978 to March 31, 1982
as amended December 7, 1978

OBJECTIVES Quebec's Environmental Protection Service has created a program to treat the waste water of major urban areas in Quebec. Within this program, priority has been given to the Montreal area.

The aim of this agreement is to ensure that the population of the Montreal area has a supply of drinking water of high quality. It is also necessary to ensure that the present and future metropolitan population can make use of the Rivière-des-Prairies, the Rivière des Mille-Iles and Lake St-Louis for recreational purposes. The development of the river corridor and more particularly the authorization to develop Ste-Thérèse Island as an urban recreation and resort park requires that the sewage flowing into the river upstream of the island be treated. This last point completes the objectives of this agreement.

Note however that, as well as participating in the work programme of the Montreal Urban Region, other infrastructure projects of waste-water treatment in the Montreal region could be approved by the ministers and be part of Phase II of the agreement.

BACKGROUND In view of the importance of the Montreal area, its large population, and its geographical location upstream of other major sources of pollution, it is mandatory that the water-treatment program for this area be implemented promptly.

There are a number of reasons which militate in favour of the immediate commencement of the project. First, the Montreal area is the largest source of water pollution in Quebec. Second, studies of the St. Lawrence River show that effluents from the Montreal area have a major impact on the quality of the river's water because of the large quantities of nutrients and toxic metals contained therein. Third, the industrial depollution programs would be

seriously endangered if Montreal's water-purification program suffered any major delay.

Works valued at \$300 million have already been authorized under the initial phase of the Montreal area water-treatment program. To start and step up the implementation of subsequent phases, both governments have agreed to participate in the financing of the programs under which the various elements will be completed.

ELEMENTS

To be determined.

FINANCIAL PROVISIONS

This is the list of the projects that will be carried out by the province under the terms of the agreement:

| PHASE I | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| One, or a combination of the following: | \$110 000 000 | \$44 000 000 | \$ 66 000 000 |
| - Completion of North main sewer | | | |
| - Pumping station | | | |
| - Pre-treatment plant | | | |
| - Drainage Channel No. 1 | | | |
| PHASE II | | | |
| Other infrastructure to treat waste water of the Montreal area | <u>90 000 000</u> | <u>36 000 000</u> | <u>54 000 000</u> |
| TOTAL | \$200 000 000 | \$80 000 000 | \$120 000 000 |

ADMINISTRATION AND MANAGEMENT

A development committee set up according to the General Development Agreement is entrusted with supervision. A management committee, composed of an equal number of representatives from Canada and Quebec appointed by the federal and provincial ministers, will be established to supervise the implementation of the agreement and to provide routine administration. Representatives of the Quebec Planning and Development Bureau will participate on Quebec's behalf. Representatives of DREE will participate on behalf of the federal government.

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Tourism Development |
| DURATION | April 6, 1978 to March 31, 1983 |
| OBJECTIVES | <p>Since tourism is a multi-faceted industry involving a variety of complementary activities, this subsidiary agreement was designed to take this diversity into account.</p> <p>Since the tourist industry occupies an important position in the Quebec economy, measures should be introduced to increase the number of visitors to the province and to consolidate the resulting economic benefits.</p> <p>Furthermore, since Quebec's cultural and historical heritage is a major tourist attraction, its potential should be further developed through appropriate action. The French character of Quebec is unique in America and holds an especially strong attraction for foreign visitors.</p> <p>Quebec's geography and the diversity of its regions give the province a wide variety of attractions that should be turned to advantage in stepping up tourism development. Tourist facilities suited to Quebec conditions should be set up, especially in connection with winter sports activities.</p> <p>Finally, since all of Quebec's regions offer a range of tourist attractions that can attract a diversified clientele, the agreement will make it possible to set up infrastructure appropriate to each region's tourism potential.</p> |
| BACKGROUND | <p>Among the activities in the tertiary sector that can make a major contribution to economic development and foster a more balanced regional growth, the tourist industry occupies a prominent position in Quebec, especially in terms of creating jobs. Tourism now ranks second in importance only to the pulp and paper industry. In 1977, the tourist industry directly or indirectly employed over 200 000 people in Quebec, 85% of them in hotels and restaurants and 15% in entertainment and recreation.</p> |

Because of its diversified nature, tourism development has an impact on several sectors of the economy, particularly construction, transportation, retail trade, manufacturing and services. Since tourism activities largely involve the purchase of goods and services, they stimulate a flow of capital and have an effect on the spatial distribution of income. In any region with good tourism potential, the tourist industry contributes to the region's prosperity and helps reduce unemployment, since it requires a great deal of manpower.

The economic importance of local tourism in terms of entertainment and recreational activities is becoming increasingly apparent. While it is still desirable to attract more tourists from outside the province, there is now a growing need to improve the quality and increase the number of tourist attractions and areas visited by Quebecers themselves. With more and more disposable income being spent by Quebecers holidaying in their own province, local tourism is having economic benefits as great as those generated by tourists from outside Quebec.

In Quebec, as in the rest of Canada, a profound change is taking place in the underlying conditions of tourism development, which in the long run may reduce the relative importance of this industry. Recent studies have shown that the balance of trade between Canada and the United States as regards tourist exchanges has been deteriorating steadily. Statistics Canada estimated that in 1977 Canadians would spend \$1.7 billion more outside the country than foreign tourists would spend in Canada. In the first seven months of 1977, there were 27.7 million visitors to Canada; this figure represents a decrease of 2.2% compared to the previous year. During the same period, there was a 7.6% increase in the number of Canadians travelling outside the country.

In view of this situation, it is important that appropriate measures be introduced through this agreement to consolidate the economic benefits stemming from this industry and to further develop the tourism potential of the whole province. The projects to be undertaken will form part of a diversified plan of action adapted to the potential of each region and to various target groups.

ELEMENTS

Under the terms of the agreement, these objectives will be achieved through three main sets of activities in which three Government of Quebec agencies will participate. Each set will be implemented under a different provincial department or organization: promotion of tourism, recreational parks and special projects (Department of Tourism, Fish and Game); restoration, modernization of museums and tourist stopovers (Department of Cultural Affairs); and finally, the establishment and improvement of open-air centres and holiday camps (High Commission for Youth, Recreation and Sport).

FINANCIAL PROVISIONS

The following is a list of projects the province will arrange to carry out under this agreement:

| | <u>ESTIMATED TOTAL COST*</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|-------------------------------|----------------------------------|-----------------------------|---------------------------------|
| <u>SET I</u> | | | |
| <u>Promotion</u> | | | |
| Tourist information centres | \$ 2 953 000 | \$ 1 181 000 | \$ 1 772 000 |
| Cap-aux-Meules | 35 000 | 14 000 | 21 000 |
| Petite-Rivière-Saint-François | 12 000 | 5 000 | 7 000 |
| <u>Tourism Parks</u> | | | |
| Iles-de-la-Madeline | 525 000 | 210 000 | 315 000 |
| Gaspé | 5 000 000 | 2 000 000 | 3 000 000 |
| Bic | 3 500 000 | 1 400 000 | 2 100 000 |
| Pointe Taillon | 1 000 000 | 400 000 | 600 000 |
| Mont Valin | 2 000 000 | 800 000 | 1 200 000 |
| Shawinigan | 2 000 000 | 800 000 | 1 200 000 |
| Montauban | 1 100 000 | 440 000 | 660 000 |
| Frontenac | 4 400 000 | 1 760 000 | 2 640 000 |
| Iles-de-Boucherville | 4 100 000 | 1 640 000 | 2 460 000 |
| Lachine Rapids | 600 000 | 240 000 | 360 000 |
| Land Acquisition | 1 600 000 | 640 000 | 960 000 |
| Dollard-des-Ormeaux | 150 000 | 60 000 | 90 000 |
| Ville-Marie | 465 000 | 186 000 | 279 000 |
| Tadoussac | 1 800 000 | 720 000 | 1 080 000 |
| Val-Morin/Val-David | 1 000 000 | 400 000 | 600 000 |

| | <u>ESTIMATED TOTAL COST*</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|----------------------------------|-----------------------------|---------------------------------|
| <u>Punctual projects</u> | | | |
| Percé Area | 500 000 | 200 000 | 300 000 |
| Small-scale fishing ports | 1 000 000 | 400 000 | 600 000 |
| Nature study trails, Saint-Félicien | 400 000 | 160 000 | 240 000 |
| Missisquoi Bay | 4 000 000 | 1 600 000 | 2 400 000 |
| Trois-Rivières Grand Prix | <u>220 000</u> | <u>88 000</u> | <u>132 000</u> |
| SUB-TOTAL | \$36 760 000 | \$14 704 000 | \$22 056 000 |
| <u>SET II</u> | | | |
| <u>Restoration</u> | | | |
| Batterie Royale | \$ 3 850 000 | \$ 1 540 000 | \$ 2 310 000 |
| Gauvreau-Beaudry House | 1 100 000 | 440 000 | 660 000 |
| Champlain House | 1 100 000 | 440 000 | 660 000 |
| Ile-Perrot | 800 000 | 320 000 | 480 000 |
| Ile-des-Moulins | 2 750 000 | 1 100 000 | 1 650 000 |
| Petit Pré Mill | 330 000 | 132 000 | 198 000 |
| Lamontagne House | 220 000 | 88 000 | 132 000 |
| Desgagné Mill | 220 000 | 88 000 | 132 000 |
| <u>Modernization of Museums</u> | | | |
| Quebec Seminary | 2 530 000 | 1 012 000 | 1 518 000 |
| Sherbrooke Seminary | 880 000 | 352 000 | 528 000 |
| Islet Maritime Museum | 330 000 | 132 000 | 198 000 |
| Pointe-Bleue Amerind Museum | 385 000 | 154 000 | 231 000 |
| Ursuline Museum | 135 000 | 54 000 | 81 000 |
| <u>Tourist Stopovers</u> | | | |
| Tourist Stopovers | <u>220 000</u> | <u>88 000</u> | <u>132 000</u> |
| SUB-TOTAL | \$14 850 000 | \$ 5 940 000 | \$ 8 910 000 |

| | <u>ESTIMATED TOTAL COST*</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|----------------------------------|-----------------------------|---------------------------------|
| <u>SET III</u> | | | |
| <u>New open-air Centres</u> | \$ 4 817 300 | \$ 1 927 000 | \$ 2 890 300 |
| <u>Improvement of open-air Centres</u> | 4 131 600 | 1 652 700 | 2 478 900 |
| <u>Holiday Camps</u> | <u>4 886 100</u> | <u>1 954 400</u> | <u>2 931 700</u> |
| SUB-TOTAL | \$13 835 000 | \$ 5 534 100 | \$ 8 301 000 |
| Reserve (15%) | <u>9 655 000</u> | <u>3 862 000</u> | <u>5 793 000</u> |
| TOTAL | \$76 000 000 | \$30 400 000 | \$45 600 000 |

* Including 10% for indirect costs

ADMINISTRATION AND MANAGEMENT Supervision will be ensured by a development committee established under the General Development Agreement. A management committee, comprising an equal number of representatives of Canada and of Quebec nominated by federal and provincial ministers will be set up to supervise the implementation of the agreement and to handle routine administration. Provincial participation to these committees as well as three other sub-committees will include, among others, the Departments of Tourism, Fish and Game; Cultural Affairs; the High Commission for Youth Recreation and Sport and the Quebec Planning and Development Bureau. Federally, Industry, Trade and Commerce and DREE will be represented.

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Public Infrastructure |
| DURATION | May 16, 1978 to March 31, 1980 |
| OBJECTIVES | <p>Canada and Quebec have agreed to provide financial assistance to municipalities to enable them to pay for the public infrastructure essential to the execution of major industrial projects, if they are unable to assume the full burden of such expenditures. This program is also, to some extent, a prerequisite to reinforcing and promoting the development of the various regions. The implementation of this agreement will counteract the restrictions which in some municipalities are hampering the growth of the manufacturing sector.</p> <p>The activities outlined in the agreement will take place largely in the resource regions, and will result in an appreciable reduction in the unemployment endemic to these regions. The agreement will make it possible to establish new manufacturing concerns and will give rise to the creation of about 2 000 direct jobs.</p> <p>This agreement is designed to neutralize the effects of the unfavourable economic situation in regions faced with high unemployment, and to provide the facilities that will encourage new manufacturing concerns to locate in these regions.</p> |
| BACKGROUND | <p>In October 1977, faced with the steadily climbing rate of unemployment, the Government of Quebec unveiled a program designed to stimulate the economy and create employment. The Premier emphasized that unemployment was taking on disturbing proportions and that the two levels of government should make a concerted effort to curb the rise of unemployment. Labour market conditions are particularly discouraging in Quebec, where the rate of unemployment currently stands at 11.4%. Furthermore, Quebec, which accounts for a little over one quarter of the Canadian labour force, now also accounts for 35% of the national unemployment figure, compared to 32.3% one year ago. To keep this under-employment from increasing any further, the Government of Quebec proposed a recovery program and asked the federal government to assist by covering a portion of the</p> |

cost of implementing these measures. This subsidiary agreement fits into this general context, and calls for providing the public infrastructures needed in carrying out certain development projects.

ELEMENTS See below.

FINANCIAL PROVISIONS The following is a list of projects the province will arrange to carry out under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|--------------------------------------|---------------------------------|-----------------------------|--------------------------|
| <u>ALMA</u> | | | |
| Improvement of municipal services | \$ 648 000 | \$ 208 000 | \$ 440 000 |
| Water-main | 195 000 | 66 000 | 129 000 |
| Municipal garage | 1 500 000 | 487 000 | 1 013 000 |
| <u>LA BAIE</u> | | | |
| Industrial zone (street) | 176 000 | 54 000 | 122 000 |
| Water intake | 2 062 000 | 647 000 | 1 415 000 |
| <u>SAINT-FELICIEN</u> | | | |
| Notre Dame Street | 1 222 000 | 440 000 | 782 000 |
| Hamel Boulevard | 866 000 | 300 000 | 566 000 |
| New districts | 834 000 | 287 000 | 547 000 |
| Development of streets | 1 009 000 | 350 000 | 659 000 |
| <u>SAINT-JOSEPH- DE-BEAUCE</u> | | | |
| Industrial zone | 700 000 | 240 000 | 460 000 |
| <u>SAINTE-MARIE- DE-BEAUCE</u> | | | |
| Industrial zone | 654 000 | 224 000 | 430 000 |
| <u>GAGNON</u> | | | |
| Pumping station | 435 000 | 156 000 | 279 000 |
| Municipal services | 177 000 | 63 000 | 114 000 |
| <u>HAUTERIVE</u> | | | |
| Trailer park | 4 000 000 | 1 438 000 | 2 562 000 |
| Roofed stadium | 330 000 | 100 000 | 230 000 |
| Water intake | 1 000 000 | 312 000 | 688 000 |

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|--------------------------------------|---------------------------------|-----------------------------|--------------------------|
| <u>HAVRE-SAINT-PIERRE</u> | | | |
| Industrial zone | 880 000 | 266 000 | 614 000 |
| Trailer park | 500 000 | 157 000 | 343 000 |
| <u>PORT-CARTIER</u> | | | |
| Industrial zone | 715 000 | 230 000 | 485 000 |
| Trailer park | 319 000 | 108 000 | 211 000 |
| Urban renewal | 340 000 | 80 000 | 260 000 |
| Portage-des-Mousses Boulevard | 1 273 000 | 429 000 | 844 000 |
| Filtration plant | 2 270 000 | 712 000 | 1 558 000 |
| <u>SACRE-COEUR</u> | | | |
| Trailer park | 275 000 | 94 000 | 181 000 |
| <u>SEPT-ILES</u> | | | |
| Urban park | 1 000 000 | 303 000 | 697 000 |
| Filtration plant | 2 500 000 | 838 000 | 1 662 000 |
| <u>SCHEFFERVILLE</u> | | | |
| Trailer park | 825 000 | 265 000 | 560 000 |
| <u>CACOUNA</u> | | | |
| Services for port facilities | 1 238 000 | 398 000 | 840 000 |
| <u>PARENT</u> | | | |
| Aqueduct, sewage system | 950 000 | 299 000 | 651 000 |
| <u>ABITIBI-TEMISCAMINGUE</u> | 1 200 000 | 399 000 | 801 000 |
| <u>SAINTE-AGATHE- DES-MONTS</u> | | | |
| Water treatment plant (expansion) | 930 000 | 292 000 | 638 000 |
| <u>GRANDE-RIVIERE</u> | | | |
| Municipal services | <u>1 000 000</u> | <u>303 000</u> | <u>697 000</u> |
| SUB-TOTAL | \$32 023 000 | \$10 545 000 | \$21 478 000 |
| Reserve | <u>2 853 000</u> | <u>1 070 000</u> | <u>1 783 000</u> |
| GRAND TOTAL | \$34 876 000 | \$11 615 000 | \$23 261 000 |

The Canada Employment and Immigration Commission can pay up to \$5 837 000 of the federal share. DREE is responsible for the remainder.

ADMINISTRATION
AND MANAGEMENT

A development committee, formed under the terms of the General Development Agreement, will supervise the agreement. A management committee composed of two representatives from Canada and two representatives from the province, as designated by the respective federal and provincial ministers, will be set up to supervise the implementation of the agreement and to assume responsibility for the day-to-day operations. Quebec will be represented on this committee by officials of the Quebec Planning and Development Bureau. The federal government will be represented by officials of DREE and the Canada Employment and Immigration Commission.

QUEBEC

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Modernization of the Pulp and Paper Industry |
| DURATION | May 15, 1979 to March 31, 1984 |
| OBJECTIVES | To restore the competitive position of Quebec's pulp and paper industry on the international market by encouraging costs, by rationalizing processing activities and by diversifying production; to install equipment for protecting the environment and conserving energy. |
| BACKGROUND | <p>In-depth studies on the forest-products industry undertaken over the past two years by the two levels of government in close co-operation with the industry and its workers, have made it possible to identify a number of the problems facing the industry in Quebec and some of the restrictions on its development and growth.</p> <p>The fundamental problem facing the Quebec pulp and paper industry is the decline of its competitive capacity on domestic and world markets. Four main indicators leave no doubt that the industry is in a state of regression:</p> <ul style="list-style-type: none">(a) the Canadian pulp and paper industry's return on investments from 1965 to 1978: 8.3% as compared to 11.1% for the same industry in the United States and 11.2% for the entire Canadian manufacturing sector;(b) its share of the American markets. From 1950 to 1976, the share gradually but constantly decreased from 40 per cent to 30 per cent;(c) the continuously increasing difference between the cost of manufacturing and shipping one ton of newsprint in Quebec and the cost in the United States. The difference rose from \$16 in 1968 to \$20 in 1970, and from \$45 in 1976 to \$52 in 1977;(d) temporary shutdowns and the closing of mills resulting from fluctuations in demand with consequent loss of revenue for workers, the companies and governments. |

This situation, characterized by the devaluation of the Canadian dollar and an exceptional increase in demand for newsprint, makes a number of basic problems: prohibitive wood-supply costs, low productivity of mills and high cost of transporting finished products.

The high price of wood is the most important element in the cost structure and accounts for nearly half of the difference between Quebec and its competitors. The subsidiary agreement on forestry development, signed in 1975 and since amended, sets aside more than \$322 million for this component.

The low productivity of the mills resulted in high manufacturing costs. This can be explained in part by the fact that the mills are old, the arrangement of their production lines is unsatisfactory and the yields of pulping processes and paper machines are low.

Taking into account all the various sources and destinations of shipments, the average transportation cost for Quebec mills is much higher than for American mills. Most of this difference is due to the fact that Quebec is farther away from the markets where rapid expansion is taking place.

Lastly, market problems, combined with unfavourable supply, production and shipment costs, are the main causes of poor profitability. This situation has limited the industry's ability to finance on its own the modernizations necessary for improving its competitive position. These same reasons have made it expensive, if not impracticable, to turn to the financial market to make up the shortage of capital, since the return on investments is below the average generally observed in industry.

Over the past five years, the industry has invested \$360 million annually in Quebec, only \$140 million of which have been spent on modernization of mills and anti-pollution measures. It is estimated that the modernization of existing mills and the installation of environmental protection equipment will require a capital investment of \$1.3 billion over the next five years.

This subsidiary agreement was developed in consultation with a number of federal departments including Industry, Trade and Commerce; Energy, Mines and Resources; and Environment, as well as

with various provincial departments. It was signed by the Minister of DREE and the Minister responsible for the Quebec Planning and Development Bureau.

ELEMENTS

Financial assistance will take the form of direct grants. They can amount to up to 25 per cent of eligible investments and will be based on a five-year plan providing for investment in the companies in the categories set forth in section 5 of the agreement and covering the modernization of machinery and the installation of equipment for environmental protection and energy conservation.

FINANCIAL PROVISIONS

The amount of money allocated for grants is as follows:

| <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---------------------------------|-----------------------------|---------------------------------|
| \$150 000 000 | \$60 000 000 | \$90 000 000 |

ADMINISTRATION AND MANAGEMENT

Supervision will be ensured by a development committee established under the General Development Agreement. A management committee, comprising an equal number of representatives of Canada and of Quebec appointed by the respective federal and provincial ministers, will be set up to supervise the implementation of the agreement and to handle routine administration. The federal departments of the Environment (Environmental Protection Service) and Industry, Trade and Commerce have been invited to participate in the supervision of the projects.

ONTARIO

ONTARIO

GENERAL DEVELOPMENT AGREEMENT

The Canada-Ontario General Development Agreement (GDA) was signed on February 26, 1974 by the Minister of Regional Economic Expansion on behalf of Canada, and by the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs on behalf of the province.

The general objectives of this agreement may be summarized as follows:

- (a) to improve opportunities for productive employment and access to those opportunities, and to sustain existing employment opportunities in those areas and sectors of Ontario which, relative to other areas and sectors of the province, are in need of special measures in order to realize their development potential;
- (b) to encourage socio-economic development in those areas of the province requiring special initiatives to permit the residents to contribute to and participate in the benefits of economic development; and
- (c) to reinforce policies and priorities of the province for regional development within Ontario insofar as they pertain to the areas and sectors of the province identified in objective (a).

Programs carried out in pursuit of the objectives will basically be in northern and part of eastern Ontario and these will be closely coordinated with the province's regional planning priorities and objectives and within the Ontario Design for Development Program. A list of action plans, which could lead to subsidiary agreements, was worked out by the two governments, including:

(a) Cornwall Area of Eastern Ontario

Cornwall has attracted a considerable number of the workers leaving the agricultural sector, while being hit hard by major industrial closures. Consequently, unemployment has been much above the provincial average. A Cornwall subsidiary agreement was signed, which facilitated joint government action in the Cornwall area. The two governments contributed \$16 255 000 toward programs.

(b) Northwestern Ontario

Northwestern Ontario is the first part of the province for which a set of policy recommendations has been published and officially accepted. Consideration was given to initiatives consistent with federal and provincial development objectives and priorities and designed to facilitate both urban and rural development.

(c) Ontario Northlands

There is a substantial group of socially and economically disadvantaged people isolated from the mainstream of provincial social and economic life by barriers such as geography, low levels of educational attainment, and poverty. A significant portion of this population is Indian or Metis. Although the Indians are located primarily in northern Ontario, there are Indian Bands throughout the province. Many of these members can be considered to be isolated and disadvantaged. Special efforts will be made to encourage and assist residents of isolated communities to participate in and benefit from the realization of development opportunities.

This list of possible initiatives is not meant to be confining in any way; indeed, the expectation is that the number of initiatives will be augmented continuously over the life of the GDA, on the basis of an on-going analysis of the opportunities for socio-economic development.

Summaries of currently active subsidiary agreements follow.

ONTARIO

SUBSIDIARY AGREEMENT

| | |
|--------------|--|
| TITLE | Northeastern Ontario |
| DURATION | March 25, 1976 to March 31, 1982 as amended July 28, 1976, March 21, 1978, October 5, 1978 and October 10, 1978 |
| OBJECTIVES | To provide for the joint participation of Canada and the province in projects directed towards reinforcing the policies and priorities of the province for regional development in northeastern Ontario; and to provide the means through which financial assistance can be given for approved projects aimed at alleviating constraints to the economic and social development of key population centres. |
| BACKGROUND | <p>Northeastern Ontario has experienced an annual population growth rate about half that for Ontario as a whole.</p> <p>The economy of northeastern Ontario developed on the strength of its natural resources. Mining, forestry, tourism and related manufacturing constitute the mainstay of the economy, and together employ more than one third of its labour force. The regional resource sectors are dependent primarily on external demand and are thus subject to the vagaries of world markets. The processing of primary products into manufactured goods is not well established and secondary and tertiary industry is poorly developed.</p> <p>Many communities depend upon a single industry for their economic base, leaving them vulnerable to adverse changes in that industry.</p> |
| SUDBURY AREA | The regional municipality of Sudbury, with a population of 165 000, is the largest urban centre in northern Ontario. Its strategic location at the crossroads of east-west and north-south transportation routes, its many government offices, and health and educational institutions, have transformed this municipality into the main trading centre of northeastern Ontario. As such, Sudbury services a population of more than 500 000. |

Historically, the size of the labour force in this region has been directly related to the growth of the local mining industry and to its related service industries. The dominance of these industries, with their high wage scales, has acted as a constraint on the number of income and employment opportunities available.

The lack of serviced industrial land and the high costs of infrastructure have been continuing problems during the past decade and have now become major constraints on future development.

PARRY SOUND AREA

The town of Parry Sound has a population of nearly 6 000. It is the major community in the area of Parry Sound, an area of some 1 400 square miles with a total of 30 000 people. The economic growth of this area has not kept pace with that of northeastern Ontario as a whole.

Historically, Parry Sound was an important transshipment point, but today the harbour is used only to ship iron ore pellets from the Sudbury area to the U.S.A. Tourism has been expanding slowly over the years providing a partial replacement of income lost as a result of economic change. Manufacturing activity has also been slow to develop.

Since the designation of the District of Parry Sound under the Regional Development Incentives Act in April 1974, there has been a marked increase in the attention of manufacturers to the area. However, the necessary serviced industrial land has not been available in the district.

TIMMINS AREA

Traditionally the Timmins area has been heavily dependent on mining and, to a much lesser extent, on forestry. Although gold mining remains an integral part of the local economy, base-metal mining is steadily increasing its portion of the labour force. The Texasgulf copper-zinc mine, brought into production in 1966 as a number of gold mines were terminating operations, has enabled employment and population levels to stabilize.

The city of Timmins, the principal urban centre in the District of Cochrane, was formed in 1973 by the amalgamation of a number of smaller communities. Subsequently the city was faced with the fact that many of the water and sewer mains were undersized and that the two sewage plants located within the city boundaries were overloaded. While it has been striving to

upgrade its sewer and water systems, Timmins is currently facing an immediate need to accelerate its capital works program.

Texasgulf Inc. has announced plans to proceed with a \$400-million expansion project including a new smelter and refinery. This is expected to increase the permanent work force by 1 500, and result in a population increase for Timmins of 4 500. In order to provide essential services and housing, several large-scale infrastructure projects are urgently required.

NORTH BAY AREA The city of North Bay is a major urban centre in northeastern Ontario. Its economic base is diversified and has a good potential for growth; however, a shortage of serviced industrial land sites is inhibiting development.

In 1973, the city acquired a 137-acre site in its southern quadrant, zoned for industrial use. The city now wishes to develop an industrial park on this site and has applied to DREE and the province for development assistance under the GDA.

At this time, the city does not have the funds to undertake this project. Consequently, DREE and the province, through the GDA, are supporting development of the proposed municipal industrial park site.

ELEMENTS

(a) Sudbury Area

Construction of water, sewage, storm drainage ditches and road facilities in the Highway 17 West (Walden) industrial park.

(b) Parry Sound Area

(i) Construction of the water and sewage facilities required for the Woods Road Industrial Park in Carling Township.

(ii) Assessment of the industrial planning, development, marketing and park management efforts in the Parry Sound area.

(c) Timmins Area

(i) Construction of additional sewer and water facilities in the Timmins-Mountjoy area and the Tisdale-Whitney area.

The province will arrange through Central Mortgage and Housing Corporation for grants under the National Housing Act to assist in funding eligible sewage and water projects.

- (ii) Assessment of industrial park requirements and sites, and industrial planning, development, marketing and park management efforts in Timmins.
- (iii) Assessment of the need for a by-pass road system to improve vehicle flow in the central business district, and to carry traffic to the Texasgulf mines and to the new industrial park.

(d) North Bay Area

The construction of water, sewage, storm drainage ditches and road facilities required to provide the park site access to municipal services. Also, the construction of a water tower in the park area as well as a sewage pumping station on Highway 11B and an accompanying force sewer line.

FINANCIAL
PROVISIONS

The following is a list of projects to be carried out under this agreement:

| <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---------------------------------|-----------------------------|---------------------------------|
|---------------------------------|-----------------------------|---------------------------------|

Sudbury Area

Highway 17 West
(Walden) Industrial
Park

| | | | |
|-------------------------------|----------------|----------------|----------------|
| (a) Water Distribution System | \$1 298 000 | \$ 649 000 | \$ 649 000 |
| (b) Sanitary Sewers | 850 000 | 425 000 | 425 000 |
| (c) Access Road Construction | <u>897 000</u> | <u>448 500</u> | <u>448 500</u> |
| SUB-TOTAL | \$3 045 000 | \$1 522 500 | \$1 522 500 |

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| <u>Parry Sound Area</u> | | | |
| (1) Carling Township Industrial Park | | | |
| (a) Water Source System | \$ 620 270 | \$310 135 | \$310 135 |
| (b) Water Distri- bution System | 488 180 | 244 090 | 244 090 |
| (c) Sanitary Sewers | 836 550 | 418 275 | 418 275* |
| (2) Assessment of the Planning | <u>13 000</u> | <u>6 500</u> | <u>6 500</u> |
| SUB-TOTAL | \$1 958 000 | \$979 000 | \$979 000* |
| <u>Timmins Area</u> | | | |
| (1) Infrastructure | | | |
| (a) Water Mains | \$2 210 000 | \$1 105 000 | \$1 105 000* |
| (b) Sanitary Sewers | 7 536 000 | 3 768 000 | 3 768 000 |
| (2) Studies | <u>145 000</u> | <u>72 500</u> | <u>72 500</u> |
| SUB-TOTAL | \$9 891 000 | \$4 945 500 | \$4 945 500* |
| <u>North Bay Area</u> | | | |
| (a) Road Services | \$ 4 345 000 | \$2 172 500 | \$2 172 500 |
| (b) Sewer Services | 3 280 000 | 1 640 000 | 1 640 000 |
| (c) Water Services | 2 246 000 | 1 123 000 | 1 123 000 |
| (d) Storm Drainage | <u>449 000</u> | <u>224 500</u> | <u>224 500</u> |
| SUB-TOTAL | \$10 320 000 | \$5 160 000 | \$5 160 000 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total without C.A. | \$25 214 000 | \$12 607 000 | \$12 607 000* |
| Contingency Allowance | <u>3 782 100</u> | <u>1 891 050</u> | <u>1 891 050*</u> |
| TOTAL | \$28 996 100 | \$14 498 050 | \$14 498 050* |

* Includes possible CMHC assistance.

ADMINISTRATION The overall management of this agreement will be
AND MANAGEMENT the responsibility of the management committee
consisting of an equal number of representatives
of each government, designated by the respective
federal and provincial ministers.

ONTARIO

SUBSIDIARY AGREEMENT

TITLE Single-Industry Resource Communities

DURATION October 18, 1976 to March 31, 1981 as amended
July 19, 1977, October 25, 1978 and
January 9, 1979

OBJECTIVES To diversify and stabilize the economies of
single-industry resource communities in northern
Ontario and to initiate programs aimed at easing
the social and economic problems characteristic
of single-industry communities. Specifically, it
will seek to broaden the economic base of commu-
nities vulnerable to fluctuations in the resource
sectors; to create alternative employment oppor-
tunities; to improve the living environment to
attract and retain skilled labour; to strengthen
the urban structure; and to encourage and sustain
longer-term resource developments.

BACKGROUND PHASE I

Kimberly-Clark Impact Area

The initial phase of this Canada-Ontario joint strategy will implement measures to support the growth opportunities of Nakina, Longlac and Geraldton; will implement measures to increase the number and range of jobs and income opportunities; and will provide for selective improvements of the communities' infrastructure. Evaluations show that the tax base of the communities is insufficient to cope with major development of the woodlands operations of the Kimberly-Clark company. The tripling of the Kimberly-Clark Terrace Bay mill capacity from 400 to 1 200 tons per day will mean an increase of 400 to 600 jobs in their woodlands operations.

The impact area envelops a region of some 28 000 square miles in northwestern Ontario. In this area, the Kimberly-Clark company obtained cutting rights from the province for an additional 4 860 square miles, bringing their total timber limits to 12 186 square miles.

BACKGROUND PHASE II

White River

As part of a long-term expansion program, the Abitibi Paper company announced plans in early 1974 to construct a new sawmill with a capacity of 70 million board feet per year at White River.

This location was selected on the basis of proximity to Abitibi Paper limits north of Pukaskwa National Park and south of Chapleau as well as on the basis of direct road/rail connections to the existing Abitibi groundwood and newsprint mill in Sault Ste. Marie. The company has accepted RDIA assistance of \$1.2 million on approved capital costs of \$11.3 million.

The key problem associated with this development opportunity arises from the community's inability to absorb and accommodate the rapid population growth anticipated in the next two years. In particular, at least 180 new dwellings will likely be needed by 1978 (including single-family dwellings, semi-detached units and rental accommodations).

BACKGROUND PHASE III

Hornepayne Town Centre

The municipality of Hornepayne is located on the main line of the CNR in a remote area of northern Ontario. CNR operates a major divisional point at Hornepayne. At present, the CNR is undertaking an expansion of these facilities in anticipation of increased train traffic through Hornepayne.

Hallmark Hotels Limited, a private realty company, has been engaged by CNR and the Ontario government to plan, construct and administer a 170 000-square-foot town centre complex to be located on a 9-acre site adjacent to Hornepayne's business section. The centre will include a mix of urban services aimed at ameliorating local living conditions.

BACKGROUND PHASE IV

Long Lake No. 77

A further element in the development of this subsidiary agreement would involve federal and provincial support for infrastructure improvements in the town of Longlac and the adjoining Native settlement on the Long Lake No. 77 Indian Reserve.

With the recent announcement by Weldwood of Canada to proceed with an RDIA-assisted expansion in the Longlac area which will create 34 jobs, and the completion of servicing plans for the Long Lake No. 77 Reserve, Canada and Ontario have agreed to proceed with additional infrastructure projects to provide water services for a parcel of industrial land in the town of Longlac and water and sewage services for the Long Lake No. 77 community. Canada accepts responsibility for those projects carried out for the exclusive benefit of Status Indians living on the Reserve. This responsibility will be shared equally by DREE and Indian and Northern Affairs.

ELEMENTS
PHASE I

1. Community Infrastructure

- (a) The community infrastructure program will assist Nakina with the completion of wells (excluding drilling), pumps and housing; construction of a reservoir, pumping and chlorination equipment of approximately 350 000-gallon capacity; the construction of 1 200 linear feet of 12-inch watermain; construction of a 375 000-gpd sewage-treatment facility and 4 600 linear feet of gravity trunk-line sewers.
- (b) At Longlac, the construction of a 1.5-mgd water-treatment plant with an elevated storage tank of 500 000-gallon capacity, 4 600 feet of 12-inch watermain, and a 375 000-gpd sewage-treatment plant.
- (c) At Geraldton, improvements to the water system including a 1.5-mgd water-treatment plant and 4 500 linear feet of 12-inch trunk watermain from the existing storage tank to a new 500 000-gallon storage tank.

2. Transportation Development

- (a) At Geraldton airport, the grading and paving of a 5 000-foot runway; runway lighting and installation; access roads; construction of a passenger, operating and maintenance building; MNR fire base, inclusive of operating buildings, tank farm and water base for MNR.
- (b) Airport access including reconstruction of granular base of existing roadway (4.7 miles) with asphalt pavement.

ELEMENTS
PHASE II

White River

1. Water Services

Construction of basic water-system improvements to accommodate anticipated growth, including construction of two new residential subdivisions and an apartment block providing approximately 320 housing units.

2. Sanitary-Sewer Services

Construction of basic sanitary sewage-system improvements to accommodate anticipated new growth.

3. Storm Drainage

Construction of basic storm drainage facilities for the proposed Nordev municipal subdivision.

ELEMENTS PHASE III

Hornepayne Town Centre

The clearing, grading and sinking of foundation pilings for the town centre site are pre-requisites for the construction of the 170 000-square-foot building in which the complex of urban services is to be accommodated.

ELEMENTS PHASE IV

Long Lake No. 77 Community Infrastructure

1. Water-Supply Extension

Construction of a water-supply main from the present terminus of the municipal water system in the town of Longlac.

2. Water-Supply Connection

Construction of a water-supply main from the settled portion of the Native community of Long Lake No. 77 Indian Reserve to the Reserve boundary, including a crossing over the Making Ground River.

3. Water-Distribution System

Construction of water-supply-main loop through the settled portion of Long Lake No. 77 Indian Reserve, to provide water service connections and fire hydrants.

4. Sanitary-Sewage Extension

Construction of a sanitary sewage force-main from Long Lake No. 77 Indian Reserve to the present limit of the municipal collection system in the town of Longlac, including the required pumping station.

5. Sewage-Collection System

Construction of a gravity sanitary-sewage-collection system throughout the settled portion of the Native community of Long Lake No. 77 Indian Reserve, including service connections for 25 existing dwellings.

FINANCIAL
PROVISIONSESTIMATED
TOTAL COSTPROVINCIAL
SHAREFEDERAL
SHAREPHASE I1. Community Infra-
structure

| | | | |
|--|------------------|------------------|------------------|
| (a) Nakina Water- System Improve- ments | \$ 900 000 | \$ 450 000 | \$ 450 000 |
| (b) Nakina Sewage- System Improve- ments | 1 579 000 | 789 500 | \$ 789 500 |
| (c) Longlac Water- System Improve- ments | 2 750 000 | 1 375 000 | 1 375 000 |
| (d) Longlac Sewage- System Improve- ments | 1 500 000 | 750 000 | 750 000 |
| (e) Geraldton Water- System Improve- ments | <u>2 770 000</u> | <u>1 385 000</u> | <u>1 385 000</u> |
| | \$9 499 000 | \$4 249 500 | \$4 249 500 |

2. Transportation
Development

| | | | |
|--|------------------|----------------|----------------|
| (a) Geraldton Airport 5 000-foot runway, lighting, airport roads, terminal bulding | \$2 662 000 | \$1 331 000 | \$1 331 000 |
| (b) Airport Access Improvements - 4.7 miles of roadway to the airport | <u>1 179 000</u> | <u>589 500</u> | <u>589 500</u> |
| | \$3 841 000 | \$1 920 500 | \$1 920 500 |

| | | | |
|---------------|--------------|-------------|-------------|
| TOTAL PHASE I | \$13 340 000 | \$6 670 000 | \$6 670 000 |
|---------------|--------------|-------------|-------------|

NOTE: Other federal government departments expected to participate in the federal share of funding are:

(a) CMHC, towards water and sewer infrastructure works, to a maximum of approximately \$400 000; and

(b) Transport Canada, towards airport construction, up to \$150 000.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|--|---------------------------------|-----------------------------|--------------------------|
| <u>PHASE II</u> | | | |
| 1. <u>Community Infra- structure</u> | | | |
| (a) Water Services | \$ 167 000 | \$ 183 500 | \$ 183 500 |
| (b) Sewer Services | 1 015 000 | 507 500 | 507 500 |
| (c) Storm Drainage | <u>878 000</u> | <u>439 000</u> | <u>439 000</u> |
| TOTAL PHASE II | \$2 060 000 | \$1 030 000 | \$1 030 000 |

PHASE III

| | | | |
|--------------------------------------|----------------|----------------|----------------|
| 1. <u>Town Centre Complex</u> | | | |
| (a) Site Clearing and Preparation | \$ 389 000 | \$194 500 | \$194 500 |
| (b) Public Area Components | <u>741 000</u> | <u>370 500</u> | <u>370 500</u> |
| TOTAL PHASE III | \$1 130 000 | \$565 000 | \$565 000 |

PHASE IV

Community Infra-
structure

| | | | |
|------------------------------------|----------------|-------------------|-----------------|
| (a) Water-Supply Extension | \$153 600 | \$76 800 | \$ 76 800 |
| (b) Water-Supply Connection | 77 600 | | 77 600* |
| (c) Internal Water Distribution | 112 900 | | 112 900* |
| (d) Sewage Extension | 233 000 | | 233 000* |
| (e) Internal Sewage Collection | <u>108 900</u> | <u> </u> | <u>108 900*</u> |
| TOTAL PHASE IV | \$686 000 | \$76 800 | \$609 200 |

* 50% of the federal contribution, plus 15% contingency, which involves Indian community projects is to be funded by DIAND.

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|--------------------------|---------------------------------|-----------------------------|--------------------------|
| Total without C.A. | \$17 216 000 | \$8 341 800 | \$ 8 874 200 |
| Contingency Allowance | <u>2 582 400</u> | <u>1 251 270</u> | <u>1 331 130</u> |
| GRAND TOTAL | \$19 798 400 | \$9 593 070 | \$10 205 330 |

ADMINISTRATION
AND MANAGEMENT

A management committee will have the responsibility of monitoring and managing the agreement. The committee will consist of an equal number of members from each government, designated by the respective federal and provincial ministers.

ONTARIO

SUBSIDIARY AGREEMENT

| | |
|---------------------|---|
| TITLE | Community and Rural Resource Development |
| DURATION | December 7, 1977 to March 31, 1983 as amended June 19, 1978, October 25, 1978 and December 8, 1978. |
| OBJECTIVES | To strengthen the community structure of rural areas by encouraging residents to contribute to and participate in developing the social and economic potential of the area; improving the opportunities for productive long-term employment through the assessment and pursuit of economic opportunities related to development of natural resources; and strengthening and diversifying the economic base of the rural areas by encouraging the development of alternative secondary industry. |
| BACKGROUND | This program of financial assistance for Ontario is to enable the province to arrange for the undertaking of projects which are essential to the development of a strong rural resource community in northern and eastern Ontario. |
| UPPER OTTAWA VALLEY | <p>Renfrew County, in the Eastern Ontario Planning Region, requires special measures to stimulate economic growth and diversification. The area is characterized by slow growth, high unemployment, low income levels and a high rate of out-migration.</p> <p>Renfrew County's development problems are closely related to its industrial structure. Employment in the resource and manufacturing sectors has declined steadily during the 20 years between 1951 and 1971, and although service-sector employment rose between 1961 and 1971, there are indications that it has reached its peak. The current growth of employment in the service sector is a reflection of the continuing growth in the tourist and recreation industries. These industries, however, tend to be low paying and seasonal, and there are indications that the area may already be too dependent on such employment. Because of these limitations, resource and manufacturing industries must be relied upon to bring about employment growth and income improvement.</p> |

NEW FORESTS IN The forestry sector in eastern Ontario is
EASTERN ONTARIO operating at a level below its potential due to
an inadequate level of support for forest
management following significant shifts in the
agricultural use of land. Some of the existing
forests in the region are of generally poor
quality as a result of exploitation over the past
200 years. The area is characterized by good
climatic conditions and there is a rural
population able to supply the required labour for
forest industry development. It is located close
to potential market areas in the Quebec-Windsor
axis and in the eastern United States. The low-
quality-hardwood forest-renewal project and the
successful development of new hybrid poplar
products involving a new source of marketable
pulpwood, a potential new source of animal
fodder, and feed stock for the production of
alcohols for energy could offer almost immediate
benefits to eastern Ontario. In addition,
substantial acreages of non-productive land
now held by small landowners could be put to
productive use.

KIRKLAND LAKE
AREA

For the purpose of this agreement, the Kirkland
Lake area includes the town of Kirkland Lake and
the communities of Matachewan, Swastika, Larder
Lake and Virginiatown. As such, the area
occupies the northeast corner of the District of
Timiskaming and is an integral part of the
Northeastern Ontario Planning Region.

Over the past few decades the northeastern region
has experienced social and economic growth below
the expectations of the provincial government.
In the Kirkland Lake area the local economy is
stagnant and unemployment is at a high level.

The Ontario Ministry of Natural Resources has
established that the underlying geology of the
area has a good potential for minerals, and that
the discovery of a major ore body could revital-
ize the local economy and restore area growth.

ELEMENTS

UPPER OTTAWA
VALLEY

(1) Resource Development

(a) Forest Resource Assessment

(i) Forest Resource Inventory

Development of up-to-date quanti-
tative information on the forest
resource including the magnitude
of the raw material potential.

(ii) Reconnaissance Inventory

Development of reliable qualitative information on the volume of raw material available for allocation to industries.

(iii) Forest and Mill Utilization Surveys

Analysis of the efficiency and existing level of timber consumption in Renfrew County.

(b) Mineral Resource Assessment

(i) Precambrian Geological Surveys

To provide data on rock types, structures and geological history in unmapped parts of the region.

(ii) Mineral Deposit Assessment

Field examination and compilation of all available data on the known mineral deposits of the region.

(iii) Analytical Work, Publication and Cartography

The results of the assessment work will be analysed and made available to the public through printed maps and reports.

(2) Industrial Development

(a) Testing nutrient-removal facilities to determine the extent and cost of expanding the capacity of the present sewage plant in Pembroke; and

(b) detailed design and engineering work, up to but not including tendering, on the city's water-filtration plant.

(3) Regional Economic Development

The proposed strategy is to provide assistance to establish a unified local organization which would be responsible for identification of development opportunities and constraints and problems, and the promotion of the county in general and of specific development opportunities.

NEW FORESTS IN (1) Hybrid Poplar Development
EASTERN ONTARIO

(a) Technological Development

The aim of this program is to develop and expand technology for hybrid poplar culture using industrial-style plantations to maximize biomass production per unit area for energy, fibre and food.

(b) Hybrid Poplar Nursery

The success of the hybrid poplar program depends heavily on a continuous supply of good-quality cuttings in large quantities being available early each spring.

(2) Hardwood Forest Renewal

This project will involve the harvesting of the poor-quality material, and at the same time make the productive sites available for growing better quality stems for the future. The harvesting and sale of the forest products will be carried out under the direction of the Ministry of Natural Resources.

(3) Forestry and Agricultural Resource Inventory

A resource inventory of the present land use, agricultural, forest and woodlot cover and other uses will be conducted. The study area includes the United Counties of Stormont, Dundas and Glengarry; the United Counties of Prescott and Russell; the Grenville portion of the United Counties of Leeds and Grenville; and the Regional Municipality of Ottawa-Carleton.

(4) Hybrid Poplar Research

This project is to facilitate research that will allow a more complete utilization of the potential of the hybrid poplar program, and contribute significantly to its operational success.

KIRKLAND LAKE
AREA

Program of Geoscientific Surveys

- (a) Precambrian Stratigraphic Mapping
- (b) Airborne Geophysical Survey
- (c) Basal Till Sampling

- (d) Quaternary Geological Surveys
- (e) Gold Deposit Surveys
- (f) Uranium Deposits Study
- (g) Data Series Maps
- (h) Overburden - Lineament Study
- (i) Technical Evaluation Services
- (j) Public Information Services

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|-------------------------|---------------------------------|-----------------------------|---------------------------------|
|-------------------------|---------------------------------|-----------------------------|---------------------------------|

UPPER OTTAWA VALLEY

(1) Resource Development

| | | | |
|-----------------------------------|------------|-----------|-----------|
| (a) Forest Resource Assessment | \$ 145 000 | \$ 72 500 | \$ 72 500 |
|-----------------------------------|------------|-----------|-----------|

| | | | |
|------------------------------------|---------|---------|---------|
| (b) Mineral Resource Assessment | 491 000 | 245 500 | 245 500 |
|------------------------------------|---------|---------|---------|

| | | | |
|--|---------|---------|---------|
| (2) Industrial Land Development Studies | 315 000 | 157 500 | 157 500 |
|--|---------|---------|---------|

| | | | |
|--|----------------|----------------|----------------|
| (3) Regional Economic Development Assistance | <u>200 000</u> | <u>100 000</u> | <u>100 000</u> |
|--|----------------|----------------|----------------|

| | | | |
|-----------|-------------|-----------|-----------|
| SUB-TOTAL | \$1 151 000 | \$575 500 | \$575 500 |
|-----------|-------------|-----------|-----------|

NEW FORESTS IN
EASTERN ONTARIO

(1) Hybrid Poplar

| | | | |
|------------------------------|-------------|-------------|-------------|
| (a) Technical Development | \$2 010 000 | \$1 005 000 | \$1 005 000 |
|------------------------------|-------------|-------------|-------------|

| | | | |
|-------------|---------|---------|---------|
| (b) Nursery | 870 000 | 435 000 | 435 000 |
|-------------|---------|---------|---------|

| | | | |
|--------------------------------|-----------|---------|---------|
| (2) Hardwood Forest Renewal | 1 350 000 | 675 000 | 675 000 |
|--------------------------------|-----------|---------|---------|

| | | | |
|---|---------|---------|---------|
| (3) Forest and Agri- culture Resource Inventory | 240 000 | 120 000 | 120 000 |
|---|---------|---------|---------|

| | | | |
|-------------------------------|----------------|----------------|----------------|
| (4) Hybrid Poplar Research | <u>310 000</u> | <u>155 000</u> | <u>155 000</u> |
|-------------------------------|----------------|----------------|----------------|

| | | | |
|-----------|-------------|-------------|-------------|
| SUB-TOTAL | \$4 780 000 | \$2 390 000 | \$2 390 000 |
|-----------|-------------|-------------|-------------|

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|-------------------------------|---------------------------------|-----------------------------|---------------------------------|
| <u>KIRKLAND LAKE AREA</u> | | | |
| Geoscientific Surveys | \$2 292 000 | \$1 146 000 | \$1 146 000 |
| SUB-TOTAL | \$2 292 000 | \$1 146 000 | \$1 146 000 |
| Total Without C.A. | \$8 223 000 | \$4 111 500 | \$4 111 500 |
| Contingency Allowance | 1 233 450 | 616 725 | 616 725 |
| GRAND TOTAL | \$9 456 450 | \$4 728 225 | \$4 728 225 |

ADMINISTRATION AND MANAGEMENT The overall management of this agreement will be the responsibility of the management committee, consisting of an equal number of representatives of each government, designated by the respective federal and provincial ministers.

ONTARIO

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Forest Management |
| DURATION | December 8, 1978 to September 30, 1983 |
| OBJECTIVES | <p>To enable Canada and the province to jointly participate in measures to improve forest management, and accelerate reforestation and private-sector employment, in an effort not only to create new employment within the province's wood-based industries, but to sustain existing productive employment which is currently in jeopardy due to the present inability to ensure long-term wood supplies.</p> |
| BACKGROUND | <p>The forest industry in Ontario is comprised of the logging, wood industries and the paper and allied industries groups.</p> <p>Physically, the industry consists of more than 300 logging establishments, plus more than 800 mills of various kinds and sizes. These establishments provide direct employment to 78 000 persons and have an annual wages and salaries payroll in excess of \$1 billion. Value-added by the industry is 2.6% of the total of all activity in the province and represents 6% of the total attributable to all of Ontario's goods-producing industries.</p> <p>The importance of the forest industry to the north is clearly shown by the fact that 76% and 32% of the total employment in manufacturing in the northwestern and northeastern regions, respectively, is forest-oriented. In the very highly industrialized southern region, the forest industry provides 6% of the total employment in manufacturing.</p> <p>From the viewpoint of current forest management practices in northern Ontario, much of the forest area is inadequately accessed. Most of the primary forest-access roads being constructed by the forest industry are solely for the purpose of timber harvesting and extraction.</p> <p>The roads are not designed to facilitate the various aspects and requirements of adequate forest management, other than those which minimize the cost of mill-delivered wood. The</p> |

result has been the harvesting of timber stands located at the periphery of the existing road system, largely irrespective of the management characteristics of the forest.

With the province's allowable cut being largely allocated, it is imperative that the currently unaccessed mature and over-mature stands be harvested, allowing this volume to be recovered before it becomes decadent and lost to fire, wind, insects and disease. If such volumes are not accessed and harvested, there is a double calamity: not only is this volume lost and the acreage added to that in need of regeneration treatment, but additional accessible, immature acreage must be harvested and treated to satisfy the roundwood requirements of the industry.

Another pressing reason for improved forest access is Ontario's new silvicultural harvesting systems policy which will require much of the future harvesting to be done in a fashion that will reduce the size, and/or control and configuration of the cut areas.

The development of this Canada/Ontario Forest Management subsidiary agreement is the result of close cooperation by officials of the provincial ministries of Natural Resources, Northern Affairs, Treasury and Economics, and Inter-governmental Affairs and officials of DREE and Fisheries and the Environment.

ELEMENTS

(1) Forest Access Roads

Construction of about 1 000 miles of all-weather forest access roads in northern Ontario, in addition to the construction currently being undertaken by the private sector and the province.

(2) Silviculture Camps

To provide improved amenities in remote forest areas to attract and hold labour required for tree planting, stand improvement, cone collecting and thinning operations.

(3) Nursery Expansion

The replacement and expansion of existing capital facilities (including production, storage, grading and shipping facilities) at Ontario's forest tree nurseries to meet expanded regeneration targets.

(4) Soil Survey

Pilot soil surveys in northern Ontario, which will provide information in required detail.

(5) Assessments

(a) An applied research and development project designed to establish a field capability to identify operational problems, review relevant data, establish design and sampling procedures and to investigate and analyze specific problems.

(b) A hardwood-utilization study (preceded by a condensed pre-feasibility study) to address the problems and prospects associated with the greatly under-utilized hardwood resource.

A preliminary study will be undertaken to determine the parameters and need for the main study.

(c) A project review and public information component designed to:

(i) provide funds for a review and assessment of the cost-shared program prior to the expiration of the agreement; and for the detailed evaluation of each project after its completion; and

(ii) provide funds for the joint development and distribution of information regarding the Canada-Ontario Forest Management subsidiary agreement and the development activity supported by it.

| FINANCIAL PROVISIONS | ESTIMATED TOTAL COST | PROVINCIAL SHARE | FEDERAL SHARE (DREE) |
|----------------------------------|---|---------------------|-------------------------|
| <u>FOREST MANAGEMENT</u> | | | |
| (1) Forest Access | \$60 000 000 | \$30 000 000 | \$30 000 000 |
| (2) Silviculture | 1 910 000 | 955 000 | 955 000 |
| (3) Nursery | 5 000 000 | 2 500 000 | 2 500 000 |
| (4) Soil Survey | 1 000 000 | 500 000 | 500 000 |
| (5) Assessment | <u>3 600 000</u> | <u>1 800 000</u> | <u>1 800 000</u> |
| SUB-TOTAL | \$71 510 000 | \$35 755 000 | \$35 755 000 |
| Contingency Allowance | <u>10 726 500</u> | <u>5 363 250</u> | <u>5 363 250</u> |
| GRAND TOTAL | \$82 236 500 | \$41 118 250 | \$41 118 250 |
| ADMINISTRATION AND MANAGEMENT | A management committee will have the responsibility of monitoring and managing the agreement. The committee will consist of an equal number of members from each government, designated by the respective principal federal and provincial ministers. | | |

ONTARIO

SUBSIDIARY AGREEMENT

TITLE Pulp and Paper Industry Facilities Improvement

DURATION May 15, 1979 to March 31, 1984.

OBJECTIVES To enable Canada and Ontario to participate jointly in programs of incentives for the pulp and paper industry in Ontario, to assist in meeting the costs of conforming to pollution-abatement standards, to improve the viability and competitiveness of the pulp and paper industry in Ontario by accelerating and maximizing private sector investment in modernization, and to promote policies which are supportive of good forest management, pollution abatement and modernization.

BACKGROUND The pulp and paper industry is one of Ontario's most important industrial sectors in terms of employment, value of shipments, and export earnings. The importance of the industry is most critical in terms of its regional and community impact. It accounts for three quarters of all manufacturing activity in Northwestern Ontario, one quarter in Northeastern Ontario, and a significant element in Eastern Ontario.

Despite the pulp and paper industry's valuable contribution to Ontario's economic well-being, it has become evident over the past decade that the industry itself is experiencing increasing difficulties. It is not fully competitive with its counterparts elsewhere, and has been unable to generate investment capital to meet the industry's modernization and pollution-abatement needs.

Concerted action is needed to bring cost disadvantages back into line and to restore the industry's competitiveness. Some steps in this direction have already been taken. The Forest Management subsidiary agreement recently signed by Canada and Ontario will provide assistance for forest access and help to restrain companies' future wood costs. Similarly the province is cooperating with companies to increase the effectiveness of forest regeneration efforts and thereby better ensure a long-term supply of wood.

The profit performance of the industry over the past several years has been weaker and more erratic than that of Canadian industries generally, as well as that of United States forest-products companies. Moreover, high rates of inflation have borne heavily on this capital-intensive industry, diverting funds towards everyday working capital which otherwise would have been available for modernizing plant and equipment. Furthermore, an increasing share of that capital which has been available has had to be spent on pollution-control improvements which do not significantly improve productivity or future profitability.

Although the pulp and paper industry has enjoyed substantially increased earnings in 1978, fully 60% of the increased profits is attributable to foreign exchange gains from the devalued Canadian dollar, and most of the remainder to improved market conditions. Both of these helpful factors could easily reverse and cause profits to plunge once again. It is imperative, therefore, that the government capitalize upon the present buoyant conditions by encouraging the industry to reinvest and re-establish itself on a more competitive footing. Government can play a major role in this, by providing incentives towards new capital investment. Such incentives will serve both to alleviate the capital costs which companies must bear and to increase the return on companies' investments.

ELEMENTS

1. Pulp and Paper Mill Pollution-Abatement Program

Priority assistance for selected mills over the next five years, to install pollution-abatement equipment which will meet government standards.

2. Pulp and Paper Mill Modernization Program

Assistance for selected mills over the next five years to modernize equipment and processes where needed, and to maintain or improve the viability of the operations.

3. Consulting and Professional Services Program

Funding for consulting and professional services retained for the management committee, to assist in its assessment of applications.

4. Public Information and Evaluation Program

Public information and evaluation programs will be undertaken respecting the implementation of the programs and the projects under this agreement.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Pulp and Paper Mill Production- Abatement Program | | | |
| Pulp and Paper Mill Modernization Program | | | |
| Consulting and Professional Services Program | | | |
| Public Information and Evaluation Program | | | |
| TOTAL | \$150 000 000 | \$100 000 000 | \$50 000 000 |

ADMINISTRATION AND MANAGEMENT A management committee will have the responsibility of monitoring and managing the agreement. The committee will consist of an equal number of members from each government, designated by the respective principal federal and provincial ministers.

MANITOBA

MANITOBA

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) with Manitoba was signed June 5, 1974 by the Minister of Regional Economic Expansion and the Minister of Mines, Resources and Environmental Management (Chairman of the Cabinet Sub-Committee on Economic and Resource Development of Manitoba).

The objectives of this agreement are:

- (a) to increase incomes and employment opportunities throughout Manitoba, thereby increasing opportunities for people to live in the area of their choice with improved standards of living; and
- (b) to encourage socio-economic development in the northern portion of Manitoba to provide the people of the area with real options and opportunities to contribute to and participate in economic development, to continue their own way of life with enhanced pride and purpose and to participate in the orderly utilization of natural resources.

Strategies to be employed to meet the objectives include:

- (a) identification of development opportunities and assistance in their realization through coordinated application of relevant federal and provincial policies and programs, including the provision of specialized measures required for such realization; and
- (b) analysis and review of the economic and social circumstances of Manitoba and Manitoba's relationship to the regional and national economy, as these may be relevant to achieving the objectives.

The main sectors identified in the GDA as warranting special attention are Manitoba northlands, socio-economic development, agro-Manitoba development and commercial and industrial development.

Summaries of currently active subsidiary agreements follow.

MANITOBA

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Manitoba Northlands |
| DURATION | September 15, 1976 to March 31, 1981 (retroactive to April 1, 1976) as amended March 30, 1979 |
| OBJECTIVES | <ul style="list-style-type: none">(a) To enable the people of the area to contribute to and participate in the development of northern Manitoba.(b) To enable those people of the area who wish to do so, to continue their own way of life with enhanced pride and purpose.(c) To encourage the orderly utilization of the natural resources of northern Manitoba in harmony with resource conservation, and for the benefit of the inhabitants, the province and the region. |
| BACKGROUND | <p>The two-year interim agreement allowed for a series of planning and initial development projects within the context of the 15-year western northlands initiative. Projects were undertaken to encourage increased participation of Native people in community and regional employment and to increase the individual's available employment options. Another series of projects undertook an inventory of resources available to northern communities, and community economic development planning and pilot action. A transportation and communications sector under the interim agreement provided for a major transportation study, approximately 100 miles of northern road construction, and upgrading of community airstrips.</p> <p>This longer term northlands agreement is designed to continue the emphasis on remote communities and their development. A sector/program mix similar to that of the interim agreement has been employed.</p> <p>The strategy for this agreement involved detailed discussions with the Province of Manitoba, the Department of Indian and Northern Affairs, Employment and Immigration, Transport Canada and other federal departments. The resulting</p> |

agreement provides for a coordination and implementation system that accommodates the complex nature of the socio-economic development programs.

This agreement was signed by the federal ministers of Transport, Employment and Immigration, Indian and Northern Affairs, and DREE, and by the provincial Minister of Northern Affairs.

ELEMENTS

The three sectors of the agreement relate to:

- (a) resource and community economic development, designed to provide the resources necessary for the assessment, planning, development and support of resource-based and other opportunities for a community economic development approach; to emphasize local participation; and to provide long-term employment and increased well-being in communities, based on basic human needs and productive activity arising from the resources of the region;
- (b) human development and community services, designed to help families and communities to provide a social and physical environment conducive to the improvement of the quality of life and the participation of people in community affairs and in development opportunities; and
- (c) transportation and communications, designed to move toward providing reliable and reasonable access to all northern remote communities for the transportation of people, goods and services, and further to ensure the provision of communications infrastructure to increase the participation of people in community, provincial and national affairs.

FINANCIAL
PROVISIONS

The following is an outline of the costs related to the sectors of this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|--|---------------------------------|-----------------------------|--------------------------|
| Resource and Community Economic Development | \$ 5 000 000 | \$ 2 000 000 | \$ 3 000 000 |
| Human Development and Community Services | 93 082 000 | 24 473 000 | 68 609 000 |
| Transportation and Communications | 52 334 000 | 20 934 000 | 31 400 000 |
| Coordination and Pilot Action Research | <u>5 000 000</u> | <u>2 000 000</u> | <u>3 000 000</u> |
| TOTAL | \$155 416 000 | \$49 407 000 | \$106 009 000 |

Other federal departments contributing to the agreement are Employment and Immigration (\$5.516 million), Transport Canada (\$7.5 million), and Indian and Northern Affairs (\$14.993 million).

ADMINISTRATION
AND MANAGEMENT

The agreement is carried out under the general direction and supervision of joint managers: the Deputy Minister, Manitoba Department of Northern Affairs, and the Director General of the Manitoba DREE office, or their delegates. In addition, the joint managers may establish coordination committees as required for the effective and efficient coordination of the programs.

MANITOBA

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Industrial Development |
| DURATION | April 21, 1978 to March 31, 1983 (retroactive to April 1, 1978) |
| OBJECTIVES | To encourage industrial activities which are closely tied to other economic activities through backward, forward and final-demand linkages; to develop industries in which Manitoba has advantages compared to other areas; and to support high-wage industries and industries which provide stable long-term employment. |
| BACKGROUND | <p>The manufacturing capital-stock position of the province has deteriorated steadily over the last decade. In 1966, capital investment in manufacturing accounted for 2.4% of the Canadian total, while total capital investment in Manitoba represented 11% of the Canadian total. These shares declined steadily over the years. The 1977 intentions reached a very low level: 1.3% of all manufacturing and 4.6% of total investment.</p> <p>A heavy dependence on primary-resource production and processing, with its sensitivity to fluctuations in international demand, creates instability of employment and income. During the 1975-77 period, employment in manufacturing was severely curtailed. The durable-goods sector, particularly metal fabricating, transportation equipment, and agricultural implements, has been the hardest hit. While to a large extent this reduction might be cyclical in nature, the lack of dynamism in other manufacturing sectors suggests that coordinated federal and provincial policies are essential to prevent overall manufacturing employment from remaining static or declining in the foreseeable future.</p> <p>There are opportunities to improve the performance of a number of industrial sectors. Some of the manufacturing industries that are very important in Manitoba because of their size, linkages and long-term growth potential include primary metals, food and beverage, health-care products, light machinery, transportation equipment and aerospace electronic products.</p> |

Productivity of many sectors is restrained by an inadequate rate of introduction of technology. A few sectors face an uncertain future due to the changes in the international economic environment.

ELEMENTS

I Industrial Process

- investigate and promote industrial and commercial development opportunities;
- stimulate the application of technology and industry;
- foster development of small manufacturing businesses; and
- provide an active promotion organization to undertake seminars, conferences, etc.

II Industrial Assistance

- provide incentive assistance to encourage development and expansion of small businesses not normally eligible for existing incentive programs.

III Industrial Infrastructure

- assist local governments in industrial site preparation.

| FINANCIAL PROVISIONS | ESTIMATED TOTAL COST | PROVINCIAL SHARE | FEDERAL SHARE |
|---------------------------|-------------------------|---------------------|------------------|
| Industrial Process | \$29 000 000 | \$11 600 000 | \$17 400 000 |
| Industrial Assistance | 5 000 000 | 2 000 000 | 3 000 000 |
| Industrial Infrastructure | <u>10 000 000</u> | <u>4 000 000</u> | <u>6 000 000</u> |
| TOTAL | \$44 000 000 | \$17 600 000 | \$26 400 000 |

Industry, Trade and Commerce is to contribute \$1 000 000.

ADMINISTRATION AND MANAGEMENT

Supervision of the agreement will be carried out by a management committee consisting of four members: Director General of DREE Manitoba (federal co-chairman); a representative of Industry, Trade and Commerce; the Deputy Minister of the Manitoba Department of Industry and Commerce (provincial co-chairman); and one other representative of the province. There are also two ex-officio members who represent the Federal Business Development Bank and the Manitoba Department of Finance.

MANITOBA

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Value-Added Crops Production |
| DURATION | April 1, 1979 to March 31, 1984 (signed December 15, 1978) |
| OBJECTIVES | To expand economic production of value-added crops, improve the efficiency of the red-meat industry, and expand both commercial services and the processing of agricultural products. |
| BACKGROUND | <p>In Manitoba most of the land resource suitable for agricultural production is in farm use. This land is made up of 12.8 million acres of improved and 6 million acres of unimproved land. In 1977 the farm value of crop production was \$858 million, and of livestock production was \$345 million. Grain crops continue to occupy most of the province's arable lands. Crops grown for processing have increased substantially in recent years. As an indication of these changes, grain corn have increased from less than one-half million bushels to over five million bushels in the last five years. This increase, along with substantial increases in other special crops such as rapeseed and buckwheat, has provided a substantial impetus to economic development in the province.</p> <p>Although crops dominate agricultural output, the use of crops in raising livestock forms a major part of value-added to crops in Manitoba. The existing livestock industry is based mainly on utilization of marginal and unimproved farm lands. Increased value-added can be obtained through improved efficiency of forage production and by expanding the feeding and finishing of cattle. The intensification of crops and livestock production, together with the processing of crop and livestock products, provides the major means of obtaining increased value-added to the agricultural sector.</p> |
| ELEMENTS | <p>The objectives of the four elements of the agreement are to:</p> <p>(a) provide for investigation of the technical implications and the potential and/or realized impact of the introduction and expansion of value-added crops;</p> |

- (b) assist in the expansion and sustained production of special crops, primarily those which are processed or have potential for being processed in Manitoba;
- (c) improve the production, handling and utilization of crops grown for livestock feed; and
- (d) implement productivity measures that will remove constraints to the production of value-added crops, with particular attention to the development of land and water management projects.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|-------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Investigation and Evaluation | \$ 800 000 | \$ 320 000 | \$ 480 000 |
| Special Crop Products | 3 000 000 | 1 200 000 | 1 800 000 |
| Livestock Products | 5 700 000 | 2 280 000 | 3 420 000 |
| Related Productivity Measures | <u>9 000 000</u> | <u>3 600 000</u> | <u>5 400 000</u> |
| TOTAL | \$18 500 000 | \$7 400 000 | \$11 100 000 |

ADMINISTRATION AND MANAGEMENT The agreement provides for an implementation committee of four regular and two ex-officio members. The regular members are representatives of DREE (federal co-chairman), Canada Department of Agriculture, Manitoba Department of Agriculture (provincial co-chairman) and one other representative of the province. The ex-officio members represent Canada and the Manitoba Department of Finance.

MANITOBA

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Tourism Development |
| DURATION | April 1, 1979 to March 31, 1984 (signed December 15, 1978) |
| OBJECTIVES | To strengthen and enhance tourist destination areas as well as to improve the productivity of the industry. |
| BACKGROUND | <p>The tourism industry provides a substantial contribution to the Manitoba economy. The tourism industry is generally centred in Winnipeg and attraction centres within reasonable driving distance along major transportation routes. In addition, tourist attractions provide major economic activity in parts of the province where other job options are limited and economic growth is desirable. The enhancement of the attractiveness of Winnipeg assists commercial and industrial expansion as it helps firms to attract and retain key personnel. Winnipeg offers major cultural and sports activities. Activities which improve the year-round attractiveness of Winnipeg can increase commercial travel and expand the demand for commercial services. In addition, the enhancement of destination areas in rural Manitoba can increase the attractiveness of the province as a place to visit.</p> |
| ELEMENTS | <p>I <u>Destination Areas</u></p> <p>Priority will be given to enhancing and developing new destination areas. Programs will focus on the Winnipeg area but investigation of opportunities in other areas will also be undertaken and selective support will be provided where appropriate.</p> <p>II <u>Productivity Measures</u></p> <p>The objective is to facilitate the establishment and strengthening of organizational and institutional structures in the tourism industry to improve communication and coordination. This is intended to assist in the implementation of measures to guarantee that operational standards are met. These may include recommendations on the design and</p> |

establishment of standards affecting accommodation and services, information systems, and training services.

There is also an incentive program available to assist in the establishment, modernization and/or expansion of accommodation facilities outside of Winnipeg.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|-------------------------|---------------------------------|-----------------------------|---------------------------------|
| Destination Areas | \$12 000 000 | \$4 800 000 | \$ 7 200 000 |
| Productivity Measures | <u>8 000 000</u> | <u>3 200 000</u> | <u>4 800 000</u> |
| TOTAL | \$20 000 000 | \$8 000 000 | \$12 000 000 |

ADMINISTRATION AND MANAGEMENT

The agreement provides for a management committee of four regular and two ex-officio members. The regular members are representatives of DREE (federal co-chairman), Industry, Trade and Commerce, Manitoba Department of Tourism and Cultural Affairs (provincial co-chairman) and one other representative of the province. The ex-officio members are from the Federal Business Development Bank and the Manitoba Department of Finance.

SASKATCHEWAN

SASKATCHEWAN

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) with Saskatchewan was signed February 11, 1974 by the Minister of Regional Economic Expansion and the Minister of Industry and Commerce of Saskatchewan.

The objectives of this agreement are:

- (a) to increase the aggregate economic growth of the provincial economy in order to increase employment opportunities, encourage balanced growth between rural and urban centres and help ensure a continuing, vibrant, dynamic society;
- (b) to preserve and enhance the value of the province's natural resources and optimize the value-added from processing and manufacturing of these resources;
- (c) to diversify the province's economic base to reduce its dependency on primary production and thereby help stabilize the provincial economy;
- (d) to increase the number, range and type of employment opportunities within the province in order to more effectively utilize the human resources of Saskatchewan; and
- (e) to increase the opportunities for people in northern Saskatchewan to participate in the social, cultural and economic life of the province.

Strategies to be employed to meet the objectives include:

- (a) identification of development opportunities and assistance in their realization through coordinated application of relevant federal and provincial policies and programs, including the provision of specialized measures required for such realization; and
- (b) analysis and review of the economic and social circumstances of Saskatchewan and Saskatchewan's relationship to the regional and national economy, as these may be relevant to achieving the objectives.

The main sectors identified in the GDA as warranting special attention are: steel and metal-related industries, forestry, agriculture, tourism, northlands, and rural and urban development.

Summaries of currently active subsidiary agreements follow.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

TITLE Iron, Steel and Other Related Metal Industries

DURATION July 4, 1974 to March 31, 1980
as amended March 30, 1979

OBJECTIVES To enhance the viability of the existing iron and steel industry and to expand and diversify iron and steel production in Saskatchewan, which in turn will provide a substantial increase in the number and range of employment opportunities in iron, steel and other related metal industries.

BACKGROUND Based on projected trends and likely economic development possibilities, Saskatchewan could continue to fall further behind the growth that could be forecast in the other three western provinces. One possibility of overcoming this lack of growth is steel. Indications are that for the next decade or so, steel demand will exceed foreseeable supply internationally, nationally, and regionally. Statistics indicate that in the 70s and 80s there will be a large market throughout the west for a variety of steel-based products. An examination of this future demand for steel, and the present production base, indicates that it is practical to increase steel capacity in the west to meet expanding market demands.

The strategy for this agreement is the result of a detailed analysis which was carried out in close cooperation with, and with the active participation of, the departments of Industry, Trade and Commerce; Energy, Mines and Resources; Employment and Immigration; Finance; Treasury Board; Fisheries and the Environment; the Privy Council Office; and various departments within the provincial government.

The subsidiary agreement was signed by the Minister of DREE, the Minister of Energy, Mines and Resources, the Minister of Industry, Trade and Commerce, and the Saskatchewan Minister of Industry and Commerce.

ELEMENTS

The five major elements of the agreement relate to:

- (a) Iron-Ore Exploration - To augment the geophysical and geological information on Saskatchewan iron-ore deposits, it is proposed to undertake exploration in east-central Saskatchewan to determine if an economic iron-ore body exists.
- (b) Related Studies and Administration Costs - This element of the program will identify and undertake studies related to primary and secondary iron and steel production facilities and related metal industries, and cover the costs of the steel implementation committee.
- (c) Direct Ore-Reduction Plant and Development and Expansion of Steel Facilities - This element is for the promotion and establishment of a direct ore-reduction plant which will produce metallized ore to be used as an addition to scrap charge for electric steel-making furnaces, and for steel-making facilities required to expand the steel industry in Saskatchewan.
- (d) Foundries and Related Metal Industries - This element relates to those projects and products which will be identified from studies for development opportunities in foundries and related metal industries.
- (e) Infrastructure - The infrastructure program is to provide assistance for the establishment of additional steel facilities and related urban infrastructure.

FINANCIAL
PROVISIONS

The following is a list of projects the province will arrange to carry out under this agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Iron-Ore Exploration | \$ 1 100 000 | \$ 440 000 | \$ 660 000 |
| Related Studies and Administration Costs | 1 500 000 | 600 000 | 900 000 |
| Direct Ore-Reduction Plant and Development and Expansion of Steel Facilities | 150 000 000 | 4 480 000 | 25 255 000 |
| Foundries and Related Metal Industries | 25 000 000 | - | 7 465 000 |
| Infrastructure | <u>5 200 000</u> | <u>4 480 000</u> | <u>720 000</u> |
| TOTAL | \$182 800 000 | \$10 000 000 | \$35 000 000 |

The remaining \$137 800 000 is expected to come from the private sector. A maximum of \$25 million in loan guarantees is available from the federal government with \$50 million in loan guarantees available from the provincial government.

ADMINISTRATION
AND MANAGEMENT

The overall management and coordination of this agreement will be the responsibility of a steel development group consisting of four senior federal officials from DREE; Finance; Energy, Mines and Resources; and Industry, Trade and Commerce; four senior provincial officials; and the Assistant Deputy Minister, DREE Western Region, as an ex-officio member. Management of day-to-day activities shall be vested in a steel implementation committee consisting of one representative of DREE and one representative of the provincial Department of Industry and Commerce.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

TITLE Qu'Appelle Valley

DURATION October 6, 1975 to March 31, 1984
 (retroactive to April 1, 1974)

OBJECTIVES To ensure the long-term productivity of the Qu'Appelle Valley's recreation and tourism resource base; to increase the benefits from utilization of this resource base; and to improve the management of the land and water resources of the Qu'Appelle Valley to meet existing and future demand for these resources.

BACKGROUND The Qu'Appelle Valley is a major attraction for Saskatchewan residents and potentially for Trans-Canada Highway traffic. The water quality in the lakes must be improved and recreation developments planned in order to establish a major tourist industry. The lack of well established and upgraded cultural and historic sites along the routes and at major destinations deters through-traffic from staying longer in the province.

 Recreational and tourist development of the valley has been piecemeal and uncoordinated. The result is: an imbalance among attractions, facilities and services; great seasonality of use, alternatively overloading and underutilizing accommodations; and deterioration of the resource.

 A perennial hindrance to development in the valley, and a continuing problem in other parts of the basin, is the spring flooding which follows winters of exceptional snowfall (such as the 1973-74 winter). This flooding damages homes, cottages and facilities in Moose Jaw, Regina, Lumsden and on down the valley, and causes significant financial and other hardships to farmers in the valley.

 A further problem is the quality of water in the Qu'Appelle River and lakes. The effluent from the sewage facilities for Regina and Moose Jaw discharges through tributaries into the Qu'Appelle River, which increases the nutrient content of the water.

Under the Qu'Appelle Basin Study Agreement of August 1970, the Qu'Appelle Basin Study Board, comprised of representatives of the governments of Canada, Saskatchewan and Manitoba, prepared a framework plan designed to guide the management of the water and related land resources of the basin. To reinforce the framework plan, the board made recommendations with respect to water quality, water supply, land and water use, and adjustment of the flood hazard.

With this agreement, Canada and Saskatchewan have developed an integrated package of programs to be implemented over a 10-year period to solve the urgent environmental problems, establish effective management practices, and develop the recreation and tourism potential of the Qu'Appelle Valley.

ELEMENTS

The program to be undertaken in this agreement comprises the following sectors:

- (a) Environmental Improvement and Management Sectors - to improve the quality of the environment of the Qu'Appelle Valley, particularly its water resources; and to establish effective environmental management to preserve the natural resources through programs related to: management of land and water resources; municipal waste treatment; and flood-prone land purchase.
- (b) Tourism and Recreation Development Sector - to ensure that basic services are in place; that resources (attractions) are developed and preserved; and that private sector investment occurs through programs related to planning, historic/recreational corridors, tourism facilities, commercial development financial assistance, alternate land use, and community development assistance.
- (c) Implementation Sector - to ensure the coordinated implementation of activities under this agreement, a Qu'Appelle Valley implementation agency will be established under a director of implementation.

FINANCIAL
PROVISIONS

The following is a list of the costs
associated with the sectors:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|---|---------------------------------|-----------------------------|--------------------------|
| Environmental Improvement and Management | \$30 600 000* | \$10 890 000 | \$11 310 000 |
| Tourism and Recreation Development | 11 500 000** | 3 850 000 | 5 650 000 |
| Implementation | <u>2 000 000</u> | <u>1 000 000</u> | <u>1 000 000</u> |
| TOTAL | \$44 100 000 | \$15 740 000 | \$17 960 000 |

* The \$8.4-million cost of one program is eligible for loan
financing.

** Includes \$2 million in loan financing by SEDCO.

Federal contributions will be:

| | |
|------|-------------|
| DREE | \$6 860 000 |
| DFE | 9 000 000 |
| DINA | 1 200 000 |
| IT&C | 900 000 |

ADMINISTRATION
AND MANAGEMENT

The agreement will be managed by a federal-
provincial Qu'Appelle Valley management board
made up of representatives from DREE and the
federal departments of Fisheries and the
Environment; Industry, Trade and Commerce; Indian
and Northern Affairs; and the provincial depart-
ments of Environment; Tourism and Renewable
Resources; the Executive Council; plus one other
to be named by the provincial co-chairman. The
Director General of DREE Saskatchewan or his
delegate shall be the federal co-chairman and the
Deputy Minister of the Saskatchewan Department of
the Environment or his delegate shall be the
provincial co-chairman. The agreement also
provides for the establishment of a public
advisory council which will provide advice to the
management board on matters of public concern.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Interim Mineral Development |
| DURATION | July 19, 1978 to March 31, 1980 (retroactive to April 1, 1978) |
| OBJECTIVES | <p>The 1978-80 program has three main objectives:</p> <ol style="list-style-type: none">1. to evaluate, in more detail, areas of the province identified in the 1974-78 program as requiring additional work;2. to undertake basic geoscientific activities: geological mapping and Quaternary (Pleistocene) studies in the region north of 58°N in order to extend semi-reconnaissance geoscientific coverage of the Shield; and3. to undertake new projects which have current relevance to the mineral industry and northern development and which fulfill both national and provincial objectives. |
| BACKGROUND | <p>The program under this subsidiary agreement is designed to follow the four-year 1974-78 Canada/Saskatchewan Subsidiary Agreement on Mineral Exploration and Development in Northern Saskatchewan. The 1974-78 program was designed to improve the economic base of northern Saskatchewan by conducting scientific surveys that would encourage further exploration and lead to the discovery of new deposits or the development of previously known ore bodies. The main thrust of the program was directed to the part of the Precambrian Shield south of 58°N on the premise that development in this region would be more beneficial to the province than in the more remote area north of 58°N.</p> <p>Preliminary assessment of the project carried out under the 1974-78 agreement indicates that the objectives were generally met. During this interim agreement (1978-80) an evaluation of the previous program will be completed. If the evaluation confirms the usefulness of such geoscientific work, and if it is agreed that further basic work is required, the parties to this interim agreement have agreed to consider</p> |

another agreement which would allow for the completion of work undertaken under the interim agreement.

ELEMENTS

- a) Mineral Resource Planning - assemble, synthesize and publish geochemical and mineral deposit data.
- b) Geoscience Surveys - geological bedrock and Pleistocene mapping of the area north of 58°N.
- c) Peat Resource Study - study the use of peat as an energy source in northern Saskatchewan and the manufacture of peat products.
- d) Metallogenic Studies and Resource Evaluation - detailed geological mapping, mineralogical and geochemical studies on selected mineral deposits and mineralized belts.
- e) Underwater Scintillometry - systematic radiometric surveying of selected lake bottoms.
- f) Report Compilation and Printing - cover the cost of producing and publishing reports from the 1974-78 and this agreement.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|--|---------------------------------|-----------------------------|--------------------------|
| Mineral Resource Planning | \$ 205 500 | \$ 102 750 | \$ 102 750 |
| Geoscience Surveys | 1 236 000 | 618 000 | 618 000 |
| Peat Resource Study | 160 000 | 80 000 | 80 000 |
| Metallogenic Studies and Resource Evaluation | 562 000 | 281 000 | 281 000 |
| Underwater Scintillometry | 166 000 | 83 000 | 83 000 |
| Report Compilation and Printing | <u>140 000</u> | <u>70 000</u> | <u>70 000</u> |
| TOTAL | \$2 469 500 | \$1 234 750 | \$1 234 750 |

The federal share is to be split between DREE and EMR. It is estimated that EMR will contribute \$400 000 and DREE \$834 750.

ADMINISTRATION
AND MANAGEMENT

The agreement provides for a four-member management committee consisting of a representative from both Energy, Mines and Resources (federal co-chairman) and DREE; and two provincial representatives, one of whom shall act as provincial co-chairman.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Northlands |
| DURATION | August 28, 1978 to March 31, 1983 (retroactive to April 1, 1978) |
| OBJECTIVES | Provide options and opportunities for northern residents to participate in the social and economic development of northern Saskatchewan; encourage the development of the natural resources of the area in harmony with resource conservation, for the benefit of northern residents and other residents of the province; and provide the opportunity for northern residents, who wish to do so, to continue their own way of life in an improved social and physical environment. |
| BACKGROUND | <p>Circumstances in northern Saskatchewan present both unique development problems and development opportunities. The region contains a substantial portion of the natural resources of the province, including minerals, forest, fresh water, and a largely untapped potential for outdoor recreation. Development of those natural resources is already taking place and there is increasing pressure to accelerate the pace of the development for the benefit of all Saskatchewan and Canadian residents. At the same time, northern Saskatchewan is the traditional living and working environment of a number of northern residents who view the resources of the region as the foundation of their economic, social and cultural lifestyle.</p> <p>The majority of people in northern Saskatchewan live in relatively small communities which find their historical economic roots in the traditional occupations of fishing, hunting and trapping. Most of these communities evolved from seasonal encampments centred on fur trading posts, missions and schools. The residents are almost exclusively of native ancestry. Their traditional economic base is weak. Their involvement in the economic development of the region is limited. Their standards of living are, on the average, unacceptably lower than those enjoyed by other Saskatchewan residents.</p> |

Northern Saskatchewan is now at a critical stage in the development of both its economic and human resources. There is an opportunity for the northern economy to grow and diversify. There is equally an opportunity to ensure that development proceeds in a manner that provides an increasing range of economic options to northern residents and an increasing sense of accessibility to those options. An assertive and carefully coordinated development thrust is required on the part of all relevant federal, provincial and municipal agencies to ensure that northern residents have every opportunity to participate in the development of their region, and that northern communities provide a stable and supportive environment as a base for that participation.

ELEMENTS

- a) Economic and Resource Development - to increase the range of employment and income opportunities for northern residents, by influencing the pace and direction of resource development, and by broadening and diversifying the northern economic base in such a way as to ensure the increased participation of northern residents.
- b) Human Development - to improve the access of northern residents to existing and future social and economic opportunities by lowering the barriers associated with inadequate living conditions, difficult social circumstances, and a lack of sufficient education, industrial skills, working experience, information and participation in decision-making.
- c) Transportation and Communication Development - to facilitate economic, social and cultural interaction and development among northern residents and communities by providing basic transportation and communication access to northern communities and by improving the efficiency of transportation and communication on a regional level.
- d) Implementation, Program Review and Assessment, and Public Information and Consultation - to provide the resources necessary for effective coordination of the various federal and provincial initiatives, consultation with northern residents regarding the direction of development under this agreement, and a systematic review and assessment of programs undertaken under the terms of this agreement.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|--|---------------------------------|-----------------------------|--------------------------|
| Economic and Resource Development | \$ 8 500 000 | \$ 3 400 000 | \$ 5 100 000 |
| Human Development | 71 800 000 | 17 920 000 | 53 880 000 |
| Transportation and Communication Development | 45 600 000 | 18 240 000 | 27 360 000 |
| Implementation, Program Review, etc. | <u>1 100 000</u> | <u>440 000</u> | <u>660 000</u> |
| TOTAL | \$127 000 000 | \$40 000 000 | \$87 000 000 |

In the Human Development sector, DINA is contributing \$7 200 000 and CEIC \$9 000 000. Under Transportation and Communication Development, MOT is contributing \$12 500 000.

ADMINISTRATION AND MANAGEMENT Supervision of the agreement will be carried out by a management group consisting of eight members: Director General of DREE Saskatchewan or his delegate (federal co-chairman), representatives of MOT, CEIC and DINA, the Deputy Minister of the Department of Northern Saskatchewan or his delegate (provincial co-chairman), and three other representatives of the province.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Forest Development |
| DURATION | May 17, 1979 to March 31, 1982 |
| OBJECTIVES | <p>Plan for the long-term development of the forest industry; identify industrial opportunities in forestry, conduct market and feasibility analyses, and apply known technology to existing or new industrial applications; upgrade forest management and silvicultural practices to ensure a continuing supply of timber for the industry; undertake site-specific planning for the development of commercial forest areas; and improve the cost competitiveness of the industry in domestic and export markets and maximize total utilization of the forest resource by upgrading and constructing access roads and by identifying and making improvements to the harvesting and distribution system.</p> |
| BACKGROUND | <p>The Saskatchewan timber industry uses primarily softwood species (jack pine, black and white spruce). The forest industry directly employs approximately 4 500 people in the industry's manufacturing, harvesting and woods operation.</p> <p>In the areas considered to be commercial, most of the softwood is being utilized, but very little hardwood is cut. In the identified potentially commercial areas, and in the more northern part of the province, all species are underutilized. On average, only 50.6% of the allowable softwood cut and 17.1% of the allowable hardwood cut is used. Limited access, low-quality trees in some instances, and lack of adequate inventory information are the main reasons for the current underutilization.</p> |
| ELEMENTS | <ol style="list-style-type: none">1) Opportunity Identification and Technological Advancement - determine industrial opportunities in forestry, particularly in the underutilized species of aspen and elm; conduct market and feasibility analyses; and transfer known technology to an existing or new industrial application. |

- 2) Forest Management and Silvicultural Practices - assist Saskatchewan in upgrading its forest management and silvicultural practices to ensure that allowable cut estimates are based on adequate data to ensure a continuing supply of timber for the industry; to plan for the development of the potentially commercial forest areas; and to help make decisions on future plant locations or expansions.
- 3) Forest Harvesting Logistics and Productivity Improvement - improve the cost competitiveness of the existing industry by reducing the cost of wood supply to plants by identifying and making improvements to the harvesting and wood distribution system and by improving forest access roads.
- 4) Implementation, Evaluation and Public Information - provide for the administration of the agreement, the evaluation of the program impact, public information, and a mechanism for the Canadian Forestry Service to provide technical assistance.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|-----------------------------|-------------------------|-----------------------------|
| Opportunity Identification and Technological Advancement | \$ 1 000 000 | \$ 500 000 | \$ 500 000 |
| Forest Management and Silvicultural Practices | 14 350 000 | 7 175 000 | 7 175 000 |
| Forest Harvesting Logistics and Productivity Improvement | 8 300 000 | 4 150 000 | 4 150 000 |
| Implementation, Evaluation and Public Information | <u>350 000</u> | <u>175 000</u> | <u>175 000</u> |
| TOTAL | \$ 24 000 000 | \$12 000 000 | \$12 000 000 |

ADMINISTRATION
AND MANAGEMENT

The agreement provides for a management board of six members: three representing Canada and three representing the province. The federal members will include the Director General of DREE Saskatchewan or his delegate (federal co-chairman), a representative of the Department of Fisheries and the Environment, and one additional representative. The provincial members will include a representative of the Department of Tourism and Renewable Resources (provincial co-chairman) and two other provincial representatives.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Productivity Enhancement and Technological Transfer in Agriculture |
| DURATION | May 17, 1979 to March 31, 1982 |
| OBJECTIVES | Broaden and diversify the agriculture base of the province by encouraging the production of special crops which have a potential for processing and thereby strengthen the linkages from primary production to processing; enable the transfer of technology from applied research to farm production; improve the efficiency of production and conversion of crops through livestock into red meats; and increase the level of value-added processing of crops and meats. |
| BACKGROUND | In 1977, Saskatchewan produced approximately 65% of the total Canadian wheat supply, 30% of the total domestic production of non-wheat cereal grains, and 40% of both the Canadian rapeseed and flaxseed production. Approximately 20% of the total Canadian cattle and calves and 9% of the hogs are on Saskatchewan farms. There is some production of field and root crops such as potatoes, carrots and onions for supply to local markets. Special crops produced in the province include peas, mustard seed, millet and corn. As population and demands increase in Canada and internationally, opportunities exist to increase the processing of presently produced products which would generate more income and employment in Saskatchewan. The employment and incomes provided by the processing industries will stabilize the economy of some areas, while aiding in the growth of others and contributing to the overall aggregate economic development of the province. |
| ELEMENTS | <ol style="list-style-type: none">1) Crop Diversification and Technology Transfer - encourage the production of new and special crops, innovative crops and cropping practices.2) Productivity Improvement - improve the productivity of crop and livestock enterprises. |

ELEMENTS 3) Program Development, Public Information and Evaluation - analyze the trends in agriculture and agricultural products and assist in the planning of agriculture in Saskatchewan.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Crop Diversification and Technology Transfer \$ | 2 025 000 | \$ 1 012 500 | \$ 1 012 500 |
| Productivity Improvement | 12 145 000 | 6 072 500 | 6 072 500 |
| Program Development, Public Information and Evaluation | <u>1 150 000</u> | <u>575 000</u> | <u>575 000</u> |
| TOTAL | \$ 15 320 000 | \$ 7 660 000 | \$ 7 660 000 |

ADMINISTRATION AND MANAGEMENT The agreement provides for a management board of four members: the Director General of DREE Saskatchewan (federal co-chairman), representatives of Agriculture Canada and the Saskatchewan Department of Agriculture (provincial co-chairman) and a second provincial representative.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Interim Water Development for Regional Economic Expansion and Drought Proofing |
| DURATION | May 17, 1979 to March 31, 1982 (retroactive to April 1, 1979) |
| OBJECTIVES | Develop a strategy to improve the effectiveness of future water-management activities, especially in drought-sensitive areas; provide analysis of the availability of and requirements for water in selected areas, and undertake the construction of such water supply and delivery schemes as may be identified as necessary; and in the Saskatchewan portion of the Souris River Basin, undertake the review and improvement of existing flood forecasting, warning and emergency-action programs, the purchase of flood-prone lands and the construction of such flood-damage-reduction and channel-improvement works as can be identified. |
| BACKGROUND | Saskatchewan's economy is characterized by a heavy reliance on the resource industries, particularly grain and cattle production. The manufacturing and service sectors are tied closely to the primary sector, so cyclical fluctuations in world markets or a crop failure has a significant impact on the provincial economy. In recent years, major opportunities have been identified in energy and related mining activities. The pursuit of these opportunities, along with the growing urban population and more intensive farming operations, depend heavily on adequate and sustainable water supplies. The economic potential and performance of the primary resources and related sectors are severely restricted during periods of drought. The impact of moderate drought conditions on primary-resource sectors is estimated at losses in the order of \$375 million per year and a loss of confidence in business prospects in many sectors of the economy. Flooding can also cause serious disruptions of sub-regional economic activity in Saskatchewan, particularly in the south and central parts of the province. |
| ELEMENTS | 1) Water Management Activities - develop a strategy to improve the effectiveness of future water management activities with particular attention to water-short and drought-sensitive areas. |

- 2) Water Supply - analyze the availability of and requirement for water in specified areas; investigate and design identified works; and undertake at least one large storage project as well as a number of less costly schemes.
- 3) Flood-Damage Reduction - enable the joint implementation of the recommendations of the Souris River Basin Study relative to the mitigation of urban flood damage and the improvement of programs of flood forecasting, warning and emergency actions.

| FINANCIAL PROVISIONS | ESTIMATED <u>TOTAL COST</u> | PROVINCIAL <u>SHARE</u> | FEDERAL <u>SHARE</u> |
|-----------------------------------|--------------------------------|----------------------------|-------------------------|
| A. Water Management Activities | \$ 2 500 000 | \$ 500 000 | \$ 2 000 000 |
| B. Water Supply | 10 700 000 | 5 300 000 | 5 400 000 |
| C. Flood-Damage Reduction | <u>2 050 000</u> | <u>1 550 000</u> | <u>500 000</u> |
| TOTAL | \$ 15 250 000 | \$ 7 350 000 | \$ 7 900 000 |

Of the federal share, DREE is funding Sectors A and B (\$7 400 000) and the Department of Fisheries and the Environment is funding Sector C (\$500 000).

ADMINISTRATION AND MANAGEMENT The agreement provides for implementation through a federal-provincial management group of three federal and three provincial members. The federal members include two representatives of DREE, one of whom is the Director General of PFRA (federal co-chairman), and a representative of the Department of Fisheries and the Environment. The provincial members are from the departments of the Environment (provincial co-chairman), Municipal Affairs, and Agriculture.

SASKATCHEWAN

SUBSIDIARY AGREEMENT

| | |
|------------|---|
| TITLE | Planning |
| DURATION | May 17, 1979 to March 31, 1984 (retroactive to April 1, 1979) |
| OBJECTIVES | To undertake studies for the identification and analysis of economic and socio-economic development opportunities in Saskatchewan and such planning as is required to develop strategies, programs and subsidiary agreements pursuant to those opportunities. |
| BACKGROUND | The General Development Agreement between Canada and Saskatchewan provides a general framework for the co-ordinated planning and implementation of measures for economic and socio-economic development in Saskatchewan. The Canada-Saskatchewan planning agreement 1975-79 and the preceding Canada-Saskatchewan interim planning agreement of 1974 have played a supportive role in DREE's development programs in Saskatchewan. Both have been useful in identifying industrial projects in Saskatchewan, in undertaking preliminary analysis for new agreement formulation in support of the GDA process, and in providing analytic support for ongoing programs. It is the intention of this agreement to continue and to enhance joint planning activities under the GDA. |
| ELEMENTS | <ol style="list-style-type: none">1) Economic Opportunity Studies - identify and examine potential economic development opportunities in various sectors in Saskatchewan.2) Urban Social Adjustment Studies - develop a strategy that will facilitate the adjustment of people of native ancestry to living in urban centres and will enable their increased participation in urban employment opportunities.3) Community Planning and Mapping Studies - provide and inventory, analysis and topographic information essential to planning and engineering activities related to development. |

- 4) Core Redevelopment Studies - plan core redevelopment of larger cities, focusing on industrial and commercial developments as these relate to the centres' economic growth potential.

FINANCIAL
PROVISIONS

| <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---------------------------------|-----------------------------|---------------------------------|
| \$ 1 500 000 | \$ 750 000 | \$ 750 000 |

ADMINISTRATION
AND MANAGEMENT

The agreement provides for implementation through a federal-provincial management committee made up of a senior official from DREE and a senior official from the provincial Department of Industry and Commerce.

ALBERTA

ALBERTA

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) with Alberta was signed March 6, 1974, by the Minister of Regional Economic Expansion and the Minister of Federal and Intergovernmental Affairs of Alberta.

The objectives of this agreement are:

- (a) to improve opportunities for productive employment and access to those opportunities in areas or economic sectors of Alberta which, relative to other areas or sectors in Alberta, require special measures to realize development potential;
- (b) to promote balanced development among areas of Alberta and to encourage the equitable distribution of the benefits of such development; and
- (c) to reinforce the priorities of the province in respect to initiatives for its socio-economic development.

Strategies to be employed to meet the objectives include:

- (a) identification of development opportunities and assistance in their realization through coordinated application of relevant federal and provincial policies and programs, including the provision of specialized measures required for such realization; and
- (b) analysis and review of the economic and social circumstances of Alberta and Alberta's relationship to the regional and national economy, as these may be relevant in achieving the objectives.

The main sectors identified in the GDA as warranting special attention are: economic development, including resource-based industries where special measures are required to encourage their full utilization; encouragement of community development in the non-major urban service centres and rural communities; and socio-economic development, including the provision of capital facilities such as housing, sewage and water systems, roads and other infrastructure required to take optimum advantage of economic development opportunities.

Summaries of currently active subsidiary agreements follow.

ALBERTA

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Nutritive Processing Assistance |
| DURATION | March 11, 1975 to March 31, 1980 (retroactive to July 1, 1974) as amended April 5, 1976 |
| OBJECTIVES | <p>The objectives of the agreement are to:</p> <ul style="list-style-type: none">(a) strengthen the economic viability of the small rural community; and(b) further process in Alberta those nutritive products which have, or may achieve, a competitive position in national or export markets and thereby to increase the quality of life options of rural residents; to increase the net income available to rural families; and to slow the movement of population from rural communities to the major metropolitan centres. |
| BACKGROUND | <p>The Alberta economy, while relatively strong in terms of general economic indicators, is characterized by a tendency to concentrate development both sectorally and geographically within the province. The province desires to produce balanced economic development, both in terms of higher rural/urban balance of job opportunities, and of diversification of the primary-resource sectors.</p> <p>Economic and socio-economic standards in the major urban centres are generally high. There exist, however, many small rural communities which are unable to provide the productive employment opportunities or levels of social amenities necessary to permit their residents to participate in and benefit from the development of Alberta. Many of these communities, although they possess the human and natural resource potential necessary for a viable community, are faced with the prospect of stagnation or decline unless means are devised to improve opportunities for productive employment and to provide a better social environment.</p> |

Basically, the province wishes to geographically diversify industrial growth outside the major urban centres. In addition, it wishes this geographical dispersion to incorporate a diversification of the economic base to avoid possible future adverse consequences of a heavy reliance on the oil and gas industry.

Achievement of the objectives could lead to a greater range of social and economic opportunities for a large number of rural Albertans. Social options in the form of varied career opportunities in the new processing industries and growth of the related service industry could be a direct result. Indirectly, the quantity and quality of social amenities should increase as a by-product of community growth and increased incomes. In addition to increases in personal and family incomes, potential economic benefits include increased employment and a greater provincial share of value-added generated from primary products which now leave the province.

The dispersion of processing plants may result in increased transportation, distribution, and infrastructure costs. Such costs will be incurred because new processing plants locating away from the large metropolitan centres will demand improvements in these services in order to function efficiently.

The constraints to accomplishing these objectives are both internal and external. Internal constraints are mainly those faced by locating new processing capacity in small centres. They include higher borrowing rates, credit limitations and the costs of reduced economies of scale. In addition, there are economic and institutional factors which individually may appear insignificant, but when combined can present constraints to development in rural areas. A few of the more common factors which could fall into this category are provision of utilities, insurance, fire protection and other specialized services.

The constraints previously discussed are basically economic in nature. There are other constraints which should be identified to complete the analysis. For example, many times the managers of small processing plants lack the entrepreneurial skills necessary to take

advantage of new opportunities, and they may find the financial burden of purchasing such skills prohibitive. In addition, the array of skills necessary to operate a new processing plant may be lacking in the local area.

This agreement on nutritive processing is intended to assist in accomplishing the provincial rural development objectives.

The strategy of this agreement is the result of a detailed analysis which was carried out in close cooperation with, and with the active participation of the departments of Industry, Trade and Commerce; Agriculture; Finance; and Treasury Board; and the Alberta government.

The agreement was signed by the Minister of DREE and the Alberta Minister of Federal and Intergovernmental Affairs.

ELEMENTS

The elements of this program are:

- (a) Development Assistance Program, which shall take the form of financial incentives to nutritive processing facilities;
- (b) Public Information and Technical Service Program, which will provide financial support for those information and technical consulting activities that are required to facilitate implementation of the agreement, as well as a program of public information which will inform the public of this agreement's provisions, and ensure proper recognition of the contribution of both parties to this agreement; and
- (c) Sheep Industry Development Program, which will provide sheep slaughter facilities at Innisfail.

FINANCIAL
PROVISIONS

The following are the estimated costs provided
for in the agreement:

| | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|--|---------------------------------|-----------------------------|---------------------------------|
| Development Assistance Program | \$15 798 000 | \$7 899 000 | \$7 899 000 |
| Public Information and Technical Service Program | 400 000 | 200 000 | 200 000 |
| Sheep Industry Development Program | <u>802 000</u> | <u>401 000</u> | <u>401 000</u> |
| TOTAL | \$17 000 000 | \$8 500 000 | \$8 500 000 |

ADMINISTRATION AND MANAGEMENT Supervision will be carried out by a joint
committee consisting of one representative of
each government as designated by the federal-
provincial general development committee.

ALBERTA

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Alberta North |
| DURATION | February 8, 1978 to March 31, 1982 (retroactive to April 1, 1977) |
| OBJECTIVES | Provide options and opportunities for the people of northern Alberta to contribute to and participate in the development of the region; initiate those social and cultural amenities, community infrastructure improvements and services required to enable the people in northern Alberta to participate in northern development; and, encourage the orderly development of northern Alberta for the benefit of the inhabitants and the region. |
| BACKGROUND | <p>The development approach proposed under the long-term Alberta North agreement has evolved from research and a process of experimentation and testing at the federal, provincial and local levels. The approach is built upon experience gained in social, economic and community services programming over the period since the late 1960s. It recognizes a need for more experimentation in economic development initiatives, and the need to improve upon existing planning and implementation mechanisms.</p> <p>Under the interim subsidiary agreement on Alberta North, Canada and Alberta undertook a series of planning and development projects designed to clarify the nature of a long-term commitment aimed at northern socio-economic development. More specifically, the interim subsidiary agreement provided for programs, under the Life Improvement and Community Services Sector, designed to provide the social, cultural and physical environment required to assist individuals, families and communities to take advantage of development opportunities. Steps were taken to assess need and to assist remote communities to improve the services they were providing their residents.</p> <p>In addition, through the efforts of a number of federal and provincial agencies, a coordinated approach to life improvement programming was developed. Under the Community Economic</p> |

Development Sector, a preliminary analysis of resources and economic opportunities was completed. Pilot action was initiated to experiment with a number of community and regional economic development projects and organizational structures. Efforts were made to develop an economic development strategy for disadvantaged sub-regions in the north. Under the Planning and Management Sector, studies were undertaken to develop a socio-economic profile of the north, with emphasis on the social and economic characteristics of the most underdeveloped sub-regions. In addition, a long-term development approach was designed.

Given the complex nature of northern development, further programming within a long-term framework is required. The initiatives and planning undertaken through the four-year interim agreement have resulted in some progress toward the objectives of the agreement. In general, the programs displayed in this schedule are intended to continue work toward similar objectives in a manner that is consistent with a development approach which places increased emphasis on community involvement within the context of regional, provincial and national policies and objectives.

ELEMENTS

- a) Human Development - designed to provide a process through which individuals and families can develop the life skills and attitudes that are prerequisites for entry into socio-economic opportunities and for making informed decisions regarding their futures.
- b) Community Services and Facilities - assist communities, individuals and families to establish a healthy and safe environment within which they can live and plan for the future.
- c) Community Services and Facilities - Indian Reserves - as above except that it pertains to Reserves only and is cost-shared by DREE and Indian and Northern Affairs.
- d) Social Adjustment and Professional Development - assist individuals and families who have decided to move from the remote communities to training and/or employment opportunities, through provision of special social adjustment counselling.

- e) Community Economic Development - assist individuals, groups and community organizations to identify socio-economic opportunities, to formulate development proposals, and to gain socio-economic experience in the local setting.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|---|---------------------------------|-----------------------------|--------------------------|
| Human Development | \$20 470 000 | \$10 235 000 | \$10 235 000 |
| Community Services and Facilities | 16 600 000 | 8 300 000 | 8 300 000 |
| Community Services and Facilities - Indian Reserves | 10 000 000 | -- | 10 000 000 |
| Social Adjustment and Professional Development | 2 950 000 | 1 475 000 | 1 475 000 |
| Community Economic Development | <u>4 980 000</u> | <u>2 490 000</u> | <u>2 490 000</u> |
| TOTAL | \$55 000 000 | \$22 500 000 | \$32 500 000 |

ADMINISTRATION AND MANAGEMENT Supervision of the agreement will be carried out by a joint committee consisting of two members: the Director General of DREE Alberta or his delegate and the Executive Director, Northern Development Branch, Business Development and Tourism or his delegate.

BRITISH COLUMBIA

BRITISH COLUMBIA

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) with British Columbia was signed March 28, 1974 by the Minister of Regional Economic Expansion for Canada, and by the Minister of Economic Development for British Columbia.

The objectives of this agreement are:

- (a) to improve opportunities for productive employment and access to those opportunities in areas or economic sectors of British Columbia which, relative to other areas or sectors of the province, require special measures to realize development potential; and
- (b) to promote balanced development among areas of British Columbia and to encourage the equitable distribution of the benefits of such development.

The strategy to attain these objectives includes directed sectoral and spatial diversification, with encouragement by federal and provincial actions, of specific key industries capable of providing essential catalysts to development in selected areas or sectors of the province. Such encouragement is to be coordinated with and supported by investments in human resource development and social and economic overhead capital investments.

The main sectors identified in the GDA as warranting special attention are: application of coordinated action to significant development opportunities that will activate underutilized or uncommitted resources, initially in the northwest, the Kootenays and the northeast. Development opportunities will be pursued that increase and progressively maximize higher value-added processing and manufacturing of the resource base. This will be aided by major transportation services that will assist in increasing viability and access, including those in relation to the Pacific market areas. In addition, major opportunities exist in the development of the recreation sector of the province, especially in conjunction with economic development and environmental improvement.

Summaries of currently active subsidiary agreements follow.

BRITISH COLUMBIA
SUBSIDIARY AGREEMENT

TITLE Northeast Coal and Related Developments

DURATION May 10, 1977 to March 31, 1980 (retroactive to April 1, 1977) as amended March 30, 1978

OBJECTIVES To identify and evaluate the economics of the coal resources, the transportation options in terms of road, rail and port facilities, the requirements for environmental protection, the financial and other implications for supporting communities, the labour force and training needs and the development that could be triggered in other sectors by the proposed activity in the coal fields.

BACKGROUND The northeast has experienced above average unemployment rates, but more recently there have been marked periods of labour shortages, especially in the skilled and professional occupations. Local economic activity is seasonal and tends to be unstable. These factors combine with the relative remoteness of the area to cause a number of social and community concerns which in turn have drawn attention to the inadequacy of many social and community services and infrastructure, particularly the lack of both suitable housing and leisure-time activities.

 In viewing the potential of the area, the analysis produced from the studies conducted under the interim planning agreement suggests that the sources of any sustained future expansion in the population and local economy lie with the economic development of the area's natural resources, and most particularly the coal and forest resources. Many mining companies have obtained licences to explore for coal in northeast British Columbia, and in recent years it has become clear that these underdeveloped coal fields constitute a major resource whose magnitude has been estimated to run into billions of tons of coal. Already there are indications that annual production from the three major mining companies involved could be in the order of 10 million tons of coal by the mid-1980s.

ELEMENTS

The major elements of the agreement are:

- (a) Coal Resource - expand baseline information of the area's coal resources and evaluate the mineability of the coal.
- (b) Transportation - survey and analyze road and rail access routes and possibly undertake highway construction and port development planning.
- (c) Environmental Studies - study vegetation, soils and climate and coordinate the environmental response to development proposals.
- (d) Townsite/Community Development - analyze the impact of development on existing communities and, as decisions are made, on the new townsites.
- (e) Manpower/Human Resources - study manpower requirements during the construction and operational phases, design training programs for local residents and evaluate labour force turnover and its effects.
- (f) Economic and Financial Analyses - provide marketing analyses, critical-path analysis for the development phase, and financial and economic analyses of transportation, community development and technical alternatives.

| FINANCIAL PROVISIONS | ESTIMATED TOTAL COST | PROVINCIAL SHARE | FEDERAL SHARE (DREE) |
|----------------------|-------------------------|---------------------|-------------------------|
| | 10 000 000 | 5 000 000 | 5 000 000 |

| | |
|-------------------------------|---|
| ADMINISTRATION AND MANAGEMENT | Supervision will be carried out by a management committee consisting of one representative from each of the British Columbia ministries of Economic Development, Mines and Petroleum Resources and Energy, Transport and Communications; and the federal departments of DREE, Energy, Mines and Resources, and Transport. |
|-------------------------------|---|

BRITISH COLUMBIA

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Industrial Development |
| DURATION | July 8, 1977 to March 31, 1982 as amended April 11, 1979 |
| OBJECTIVES | To encourage greater sectoral and spatial diversification of economic activity in the Province of British Columbia and thereby improve opportunities for productive employment in the target area and achieve a more balanced level of development among the different areas of the province. |
| BACKGROUND | <p>The realization of the federal and provincial objectives to diversify and distribute economic activity throughout British Columbia requires a program of assistance designed to overcome the disadvantages of locating manufacturing activities away from the already highly developed centres. The thrust of such a program would be to stimulate manufacturing and to support those parts of British Columbia presently on, or close to the major transportation routes. For the most part this would include, but not be limited to, the Prince Rupert - Prince George - Kamloops corridor, and the corridor served by Highway 3.</p> <p>In support of a program of industrial incentives, a research effort is needed to identify viable manufacturing opportunities. Also included would be support for regional industrial development commissions which would play an active role in support of the diversification and dispersion goals of the two senior levels of government.</p> |
| ELEMENTS | <p>The elements of this subsidiary agreement are:</p> <p>(a) Research</p> <ul style="list-style-type: none">- to provide the information and analysis necessary to implement the other elements of the agreement and to ensure that the developmental objectives of the federal and provincial governments are rationally attained. |

(b) Community Industrial Development

- to encourage the development of well-trained and effective industrial development capabilities in each of the main economic regions of the province;
- to ensure the existence of adequate competitively priced industrial land in the key regional centres which have been identified as potential growth areas in the province; and
- to encourage and facilitate orderly development and efficient growth patterns in British Columbia by supporting industrial development in industrial parks, or in special cases in industrial malls, or advance factory space.

(c) Industrial Assistance

- to encourage and assist the modernization, expansion or establishment of small business enterprises, which because of size or function would not normally meet the criteria of existing incentive programs.

(d) Public Information

- to provide for the preparation and distribution of public information material.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE,</u> |
|----------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Research | \$ 3 850 000 | \$ 1 925 000 | \$ 1 925 000 |
| Community Industrial Development | 61 000 000 | 30 500 000 | 30 500 000 |
| Industrial Assistance | 5 000 000 | 2 500 000 | 2 500 000 |
| Public Information | <u>150 000</u> | <u>75 000</u> | <u>75 000</u> |
| TOTAL | \$70 000 000 | \$35 000 000 | \$35 000 000 |

ADMINISTRATION
AND MANAGEMENT

This agreement will be managed by a joint federal-provincial industrial development committee. The committee shall consist of: a representative of DREE who shall be the federal co-chairman; an official from Industry, Trade and Commerce; an ex-officio member from the Federal Business Development Bank; two representatives from the British Columbia Ministry of Economic Development, one of whom shall be the provincial co-chairman; and an ex-officio member from the British Columbia Development Corporation.

BRITISH COLUMBIA

SUBSIDIARY AGREEMENT

TITLE Agriculture and Rural Development

DURATION August 1, 1977 to July 31, 1982
 (signed July 8, 1977)

OBJECTIVES The objectives of this agreement are to:

- (a) identify, research, plan and pursue new or unexploited projects related to agriculture and rural development;
- (b) expand employment in those existing aspects of the agriculture industry and food-processing industry in British Columbia which demonstrate production and market potentials; and
- (c) improve the ability of the existing industries to sustain growth.

BACKGROUND Agriculture and rural development have been identified as vital components of the economic development strategy in British Columbia. Rising energy and labour costs and changing market conditions necessitated major adjustments in the agriculture sector over the last five years. During this period, increasing environmental and land-use concern led to major changes in government agricultural policy in British Columbia. Studies, therefore, were undertaken by both Canada and British Columbia on specific agricultural sectors and a number of development constraints and opportunities were investigated.

In 1976 the British Columbia Department of Agriculture initiated an agriculture planning committee which had input from other federal and provincial departments. On the basis of this committee's work, a policy paper was prepared outlining agricultural development policy proposals for the British Columbia Department of Agriculture. These policy initiatives were endorsed by the provincial Cabinet and form the basis of this agreement.

ELEMENTS

(a) Research, Planning, Training and Market Promotion

- to provide rural planning by geographical areas within which initiatives may be developed by government, municipalities and residents;
- to support pilot demonstrations designed to test new techniques and approaches that will improve or increase production, and to identify specific employment opportunities;
- to provide meaningful opportunities for participants in the agricultural industry through consultation and coordination with governments in planning projects; and
- to provide the mechanism required to encourage the emergence of latent entrepreneurs to develop new and/or existing opportunities in this sector.

(b) Coordinated Resource Management

- to develop and improve the grazing capacity of Crown range in order to utilize the forage production of this resource; and
- to optimize multi-use possibilities and thereby support and stabilize the beef industry in harmony with forestry, recreation and wildlife interests.

(c) Primary-Resource Development

- to increase the production capability of the underdeveloped land resource, within the framework of those primary products which show market and production potential.

(d) Support Services and Community Development

- to provide the support services needed in rural areas to develop the agricultural industry to secondary processing and value-added stages, thereby improving stability and rural employment opportunities.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>LOCAL SHARE</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|--|------------------------|-----------------------------|---------------------------------|
| Research, Planning, Training and Market Promotion | \$ 4 950 000 | - | \$ 2 475 000 | \$ 2 475 000 |
| Coordinated Research Management | 22 000 000 | \$ 2 200 000 | 9 900 000 | 9 900 000 |
| Primary-Resource Development | 20 000 000 | 5 000 000 | 7 500 000 | 7 500 000 |
| Support Services and Community Development | <u>39 800 000</u> | <u>19 550 000</u> | <u>10 125 000</u> | <u>10 125 000</u> |
| TOTAL | \$86 750 000 | \$26 750 000 | \$30 000 000 | \$30 000 000 |
| ADMINISTRATION AND MANAGEMENT | A joint federal-provincial management committee will be established consisting of at least two representatives from each of Canada and the Province of British Columbia. | | | |

BRITISH COLUMBIA

SUBSIDIARY AGREEMENT

TITLE Travel Industry Development

DURATION October 17, 1978 to October 17, 1983

OBJECTIVES Develop plans for British Columbia's travel industry to utilize unexploited and new initiatives; generate significant employment opportunities in British Columbia; contribute to the orderly growth and development of the travel industry in British Columbia through the greater utilization of the tourism potential; generate, encourage and increase travel and vacation time within British Columbia that will result in a stimulus to the British Columbia economy and will contribute to the improvement of Canada's balance of payments on travel account position; and, develop a long-term travel-industry strategy for British Columbia.

BACKGROUND The travel industry development subsidiary agreement is designed to meet federal and provincial objectives relating to economic development and regional development. It will help to establish the preconditions for private-sector investment at all levels through support for selected targets, the provision of necessary infrastructure, and the data collection and analyses required to identify and pursue strategic activities.

Travel has been identified by both governments as an industry that offers major opportunities that can be realized to the benefit of British Columbia and Canada through coordinated program opportunities and more balanced regional economic development. The two governments are committed to improving the British Columbia travel industry.

The travel industry, moreover, is highly labour intensive and is responsible for nearly 6% of the provincial work force. In 1976, the travel industry in British Columbia employed the equivalent of 62 400 person-years, of which two-thirds were full-time jobs. As a result, the part-time employment figures do not adequately reflect the large absolute number of seasonal employees who may work for relatively short

periods. The information clearly shows the dominance of the accommodation and the transportation categories in terms of both employment and wages impact. The travel industry, at more than \$600 million, ranked third behind manufacturing and construction in total wages paid in British Columbia during 1976.

ELEMENTS

- a) Travel Industry Studies and Planning - undertake the detailed analysis of many aspects of British Columbia's travel industry required to assist in the preparation of long-term plans and the development of strategies to realize those plans.
- b) Travel Industry Organization - encourage existing and new organizational structures to enunciate industry needs and coordinate requirements.
- c) Travel Industry Upgrade - upgrade existing facilities, encourage new viable operations and provide infrastructure assistance through provision of forgivable loans.
- d) Travel Generators - support the improvement, expansion or creation of major travel generators in selected destination areas.
- e) Skiing and Related Facilities - develop perhaps two major international skiing attractions, assist in construction and operation of viable regional facilities and provide technical studies and evaluation for local skiing facilities.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|---|---------------------------------|-----------------------------|---------------------------------|
| Travel Industry Studies and Planning | \$ 1 500 000 | \$ 750 000 | \$ 750 000 |
| Travel Industry Organization | 4 500 000 | 2 250 000 | 2 250 000 |
| Travel Industry Upgrade | 13 000 000 | 6 500 000 | 6 500 000 |
| Travel Generators | 15 000 000 | 7 500 000 | 7 500 000 |
| Skiing and Related Facilities | <u>16 000 000</u> | <u>8 000 000</u> | <u>8 000 000</u> |
| TOTAL | \$50 000 000 | \$25 000 000 | \$25 000 000 |

ADMINISTRATION
AND MANAGEMENT

This agreement will be managed by a joint federal-provincial management committee. The committee shall consist of: a representative of DREE who shall act as co-chairman; an official from Industry, Trade and Commerce; and two representatives from the British Columbia Ministry of Economic Development, one of whom shall act as co-chairman.

BRITISH COLUMBIA

SUBSIDIARY AGREEMENT

TITLE Intensive Forest Management

DURATION May 17, 1979 to March 31, 1984

OBJECTIVES Ensure the long-term economic viability of the forest sector of the provincial economy; strengthen the job-creating potential of the provincial forest resource; increase the wood yield from provincial forests beyond that secured by the basic forestry program of the provincial Ministry of Forests; and ensure that the annual rate of harvest of this renewable resource is sustained and increased.

BACKGROUND The forests of British Columbia remain a vital element in the economy of the province and Canada. The industry makes a substantial contribution to the economic and social well-being of the people of British Columbia both directly through the creation of employment and income opportunities and indirectly through the stimulation of a wide variety of associated manufacturing and service enterprises. On the national level, exports of forest goods contribute significantly to Canada's balance of payments.

The future of the forest industry is dependent on a wide variety of factors. International market conditions, the efficiency of the industry, technological innovation and the prudent husbandry and management of the resource base are all important. A central consideration in the latter factor is the enhancement of intensive forest management techniques.

The harvesting of the British Columbia forests has progressed to the point where many of the old growth stands are disappearing or remote and costly to use. At present the Province of British Columbia carries out a basic forestry program which is in part oriented to the rehabilitation of these areas. However, increasing demands on the resource have led to a recognition that greater efforts are needed in this area.

ELEMENTS

- (1) Reforestation - there is a substantial backlog of forest land which has been inadequately restocked following logging and fires.
- (2) Juvenile Spacing - timely spacing of young stands greatly enhances management options and many stands in both coastal and interior regions of the province have reached the most appropriate ages for this treatment.
- (3) Fertilization - studies have shown that the growth effects of juvenile spacing and fertilization are more than additive; therefore, much of the fertilization effort will be combined with juvenile spacing treatments.
- (4) Forest Protection - to reduce fire hazard to acceptable levels, initial attack crews will be stationed on location for immediate suppression of fires that may develop following juvenile spacing.
- (5) Implementation Contracts - to ensure the work is done in a systematic, cost-effective and professional manner, the province will supplement its internal capacity through the use of professional expertise for contracting development and supervision of selected projects.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>PROVINCIAL SHARE</u> | <u>FEDERAL SHARE (DREE)</u> |
|-----------------------------|---------------------------------|-----------------------------|---------------------------------|
| Reforestation | \$11 500 000 | \$ 5 750 000 | \$ 5 750 000 |
| Juvenile Spacing | 30 000 000 | 15 000 000 | 15 000 000 |
| Fertilization | 5 000 000 | 2 500 000 | 2 500 000 |
| Forest Protection | 1 000 000 | 500 000 | 500 000 |
| Implementation Contracts | <u>2 500 000</u> | <u>1 250 000</u> | <u>1 250 000</u> |
| TOTAL | \$50 000 000 | \$25 000 000 | \$25 000 000 |

ADMINISTRATION
AND MANAGEMENT

The agreement provides for a management committee of at least four members, representing the B.C. Ministry of Economic Development (provincial co-chairman), the B.C. Ministry of Forests, DREE (federal co-chairman), and the Department of Fisheries and the Environment, with additional, non-voting members invited on agreement of the four members.

NORTHWEST TERRITORIES

NORTHWEST TERRITORIES

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) with the Northwest Territories was signed April 4, 1979 by the Minister of Regional Economic Expansion, the Minister of Indian and Northern Affairs, and the Commissioner of the Northwest Territories.

The objectives of this agreement are:

- (a) to develop a comprehensive and coordinated strategy for socio-economic expansion and diversification in the Northwest Territories, with emphasis on activities which will make ongoing contributions to residents of the Northwest Territories;
- (b) to provide the opportunity for people of the Northwest Territories to assume an active role in the identification, planning and implementation of development projects, so that a balance is achieved between wage-employment activities and those that support the traditional native economy;
- (c) to establish a systematic approach towards providing people of Indian and Inuit ancestry with the opportunity to choose between a life based on traditional pursuits or on the wage economy, or a combination of the two;
- (d) to provide necessary support for related social programs and physical development.

Strategies to be employed to meet the objectives include:

- (a) identification of development opportunities and assistance in their realization through coordinated application of appropriate federal and territorial policies and programs, including the provision of specialized measures required for such realization; and
- (b) analysis and review of the economic and social circumstances of the Northwest Territories and the territories' relationship to the national economy, as these may be of importance to achieving the objectives.

Summaries of currently active subsidiary agreements follow.

NORTHWEST TERRITORIES

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Interim Community Economic Development |
| DURATION | April 4, 1979 to March 31, 1981 |
| OBJECTIVES | To assist individuals and communities to participate in community affairs and development opportunities to improve their social and physical environment in a manner conducive to improving quality of life; and to assist in the assessment, planning and development of resource-based and other opportunities for economic development in a manner which emphasizes and encourages community participation in balanced development. |
| BACKGROUND | <p>The lack of community and regional infrastructure is a limiting factor in promoting economic development in the north, and in developing linkages within and between sectors, and between communities. Transportation and communication networks are not highly developed in many areas, and involve extreme distances. The inhabitants of the smaller remote settlements are predominately people of Indian or Inuit ancestry who have had limited exposure to and therefore little experience in the wage economy and have not developed an extensive array of the skills required to participate in the wage economy. Many lack information regarding development opportunities and frequently do not view such opportunities as being of potential benefit. Greater interaction between residents of northern communities affected by development activities and agents responsible for these activities is required in order to maximize the benefits of development to residents of northern communities.</p> |
| ELEMENTS | <p>The objectives of the elements of the agreement are to:</p> <ul style="list-style-type: none">(a) prepare an integrated tourism strategy for a 5- to 10-year horizon;(b) provide a framework for the planning and development of a variety of community-scale renewable-resource-based activities; |

ELEMENTS

- (c) provide a work rotation program that will rotate workers between home and job sites, coupled with existing training programs to enable northern residents to participate in wage employment without permanently leaving their communities and country food resources;
- (d) assist residents of the Northwest Territories in assuming an active role in the planning and implementation of development projects;
- (e) provide for a comprehensive assessment of the economy of the Northwest Territories examining various opportunities in light of constraints and prospects for future development.

| FINANCIAL PROVISIONS | ESTIMATED TOTAL COST | TERRITORIAL SHARE | FEDERAL SHARE (DREE) |
|----------------------------------|-------------------------|----------------------|-------------------------|
| Tourism | \$ 600 000 | \$ 240 000 | \$ 360 000 |
| Renewable Resources | 2 253 000 | 741 000 | 1 512 000 |
| Job Rotation | 100 000 | 40 000 | 60 000 |
| Community-Based Planning | 600 000 | 240 000 | 360 000 |
| Economic Development Strategy | 200 000 | 80 000 | 120 000 |
| Administration and Review | <u>80 000</u> | <u>32 000</u> | <u>48 000</u> |
| TOTAL | \$ 3 833 000 | \$1 373 000 | \$2 460 000 |

The federal share is comprised of a \$2 000 000 contribution from DRE and a \$460 000 contribution from DINA.

ADMINISTRATION AND MANAGEMENT The agreement provides for implementation through a federal-territorial management group of: from two representatives the territories (one of whom shall act as territorial co-chairman), one representative from the Department of Indian and Northern Affairs, and one representative from DREE (federal co-chairman).

YUKON

YUKON

GENERAL DEVELOPMENT AGREEMENT

The General Development Agreement (GDA) with the Yukon Territory was signed August 17, 1977 by the Minister of Indian and Northern Affairs, the Commissioner of the Yukon Territory and later by the Minister of Regional Economic Expansion.

The objectives of this agreement are:

- (a) to develop a comprehensive and co-ordinated strategy for socio-economic expansion in the Yukon, to provide the opportunity for Yukon people to participate fully in determining their own priorities and to assume an active role in planning and implementation of development projects;
- (b) to establish a rational and systematic program of development which will ensure the viability of the Yukon economy; and
- (c) to put into effect socio-economic development programs which will promote greater certainty and permanence in the Yukon economy, and to develop measures aimed at improving the position of native people and other disadvantaged groups in the Yukon economy.

Strategies to be employed to meet the objectives include:

- (a) identification of development opportunities and assistance in their realization through coordinated application of appropriate federal and territorial policies and programs, including the provision of specialized measures required for such realization; and
- (b) analysis and review of the economic and social circumstances of the Yukon Territory and the territory's relationship to the regional and national economy, as these may be of importance to achieving the objectives.

Summaries of currently active subsidiary agreements follow.

YUKON

SUBSIDIARY AGREEMENT

| | |
|------------|--|
| TITLE | Renewable Resource Development |
| DURATION | April 4, 1979 to March 31, 1982 |
| OBJECTIVES | To ensure that development of Yukon resources proceeds in an orderly fashion and that residents of the territory are provided with an opportunity to participate in and to take advantage of economic and employment opportunities associated with the development of these resources. |
| BACKGROUND | <p>The present economy of the Yukon is very heavily dependent on mineral extraction and employment in government services. Although the mining industry holds promise of future expansion, the closure of one, or possibly two existing mines will weaken its contribution to employment and income in the immediate future. The government sector, on both the federal and territorial levels, is under severe restraint and cannot be expected to provide significant direct increases in job opportunities. Against this negative outlook on the existing economy is the prospect of substantial short-term activity related to the Alaska Highway pipeline construction and the "Shakwak" road reconstruction program. Of more lasting potential is the prospect of a steady expansion of the tourist industry, both in relation to numbers of tourists and opportunities available to extend their stay in the Yukon. An important element of the population is severely disadvantaged in terms of employment and income and is not able to take part in the present economy. A high percentage of these people are of Indian ancestry and, with their families, represent about 20% of the Yukon's total permanent population.</p> |
| ELEMENTS | <p>The objectives of the four elements of the agreement are to:</p> <ul style="list-style-type: none">(a) plan and implement projects relating to renewable resources information analysis;(b) plan and construct outdoor tourist and recreation facilities with priority given to the expansion and improvement of campground and trailer court facilities at selected centres and along major roads; |

- (c) maximize the involvement of unemployed and underemployed residents of the Yukon in the implementation of activities.
- (d) provide information to the public concerning various aspects of the program as well as monitoring and evaluating activities under the agreement.

| FINANCIAL PROVISIONS | <u>ESTIMATED TOTAL COST</u> | <u>TERRITORIAL SHARE</u> | <u>FEDERAL SHARE</u> |
|---|---------------------------------|------------------------------|--------------------------|
| Renewable Resource Information and Analysis | \$2 400 000 | \$ 400 000 | \$2 000 000 |
| Tourism and Recreation Facilities | 2 500 000 | 1 000 000 | 1 500 000 |
| Resource Development Corporations | 1 500 000 | 600 000 | 900 000 |
| Monitoring and Evaluation | <u>200 000</u> | <u>80 000</u> | <u>120 000</u> |
| TOTAL | \$6 600 000 | \$2 080 000 | \$4 520 000 |

Of the total federal share, \$3 200 000 will be contributed by DREE and \$1 400 000 by DINA.

ADMINISTRATION AND MANAGEMENT The agreement provides for implementation through a federal-territorial management committee of senior officials from: DREE, the Department of Indian and Northern Affairs (federal co-chairman) and the Canada Employment and Immigration Commission, and three representatives from the territory (one of whom shall act as territorial co-chairman).

ANNEX
EXPIRED SUBSIDIARY
AGREEMENTS

ANNEX

EXPIRED SUBSIDIARY AGREEMENTS

| | <u>SIGNED</u> | <u>TERMINATED</u> |
|---|---------------|-------------------|
| NEWFOUNDLAND | | |
| Highways - 1974-75 | 28/05/74 | 31/03/75 |
| Fisheries Marine Service Centre Program | 15/10/74 | 31/03/78 |
| Special Fish Plant Water System | 15/10/74 | 31/03/78 |
| Highways - 1975-76 | 28/05/75 | 31/03/76 |
| NOVA SCOTIA | | |
| Interim Cape Breton County Development | 07/01/77 | 31/03/78 |
| Sydney Steel Corporation Assistance Program | 23/12/77 | 31/03/79 |
| NEW BRUNSWICK | | |
| Highways - 1974-75 | 24/06/74 | 31/03/75 |
| Agricultural Development | 17/02/75 | 31/03/78 |
| King's Landing Historical Settlement | 17/02/75 | 31/03/77 |
| Miramichi Channel Study | 17/02/75 | 31/03/75 |
| Highways - 1975-76 | 16/12/75 | 31/03/76 |
| Highways - 1976-77 | 24/06/76 | 31/03/77 |
| QUEBEC | | |
| Financing of the 1974-78 SIDBEC Expansion Plan | 15/03/74 | 31/03/78 |
| Industrial Studies | 29/03/76 | 31/03/77 |
| ONTARIO | | |
| Cornwall Area | 26/02/74 | 31/03/77 |
| Northwestern Ontario | 23/05/74 | 31/03/79 |
| Dryden Development Infrastructure | 24/03/75 | 31/03/77 |
| Interim Northlands | 07/07/75 | 31/03/78 |
| MANITOBA | | |
| Interim Northlands | 05/06/74 | 31/03/76 |
| Planning | 11/02/75 | 31/03/77 |
| Mineral Exploration and Development | 31/03/76 | 31/03/79 |

SASKATCHEWAN

| | | |
|---|----------|----------|
| Mineral Exploration and Development in Northern Saskatchewan | 21/06/74 | 31/03/78 |
| Interim Saskatchewan Northlands Planning | 18/08/75 | 31/03/78 |
| Expand Facilities Used by Canadian Western Agribition and Mexabition | 18/08/75 | 31/03/79 |
| | 28/07/77 | 31/03/79 |

ALBERTA

| | | |
|---------------------------------|----------|----------|
| 1974-75 Northern Transportation | 28/08/74 | 31/03/75 |
| Interim Alberta North | 11/03/75 | 31/03/78 |
| 1975-76 Northern Transportation | 21/01/76 | 31/03/76 |
| 1976-79 Northern Transportation | 18/02/77 | 31/03/79 |

BRITISH COLUMBIA

| | | |
|---|----------|----------|
| 1974-75 Northern Highways | 28/08/74 | 31/03/75 |
| Fort Nelson | 23/09/75 | 30/09/78 |
| 1975-76 Northern Highways | 12/02/76 | 31/03/76 |
| Evaluate Northeast Coal and Related Developments (1st agreement) | 28/01/77 | 31/03/77 |
| 1976-79 Northern Highways | 31/03/77 | 31/03/79 |

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